

BULLETIN *of the* National Association of Credit Men

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EDITORIALS

"I T is up to Blank."

There is perhaps no expression so significant of the times we are living in as the above expression, uttered every day wherever one goes. Every boy and girl learns it early, for but a few years pass when they have absorbed the departmentized idea of the world they live in, that it is made up of various sorts of men who are presumed to keep the world straight in the department of life they choose or find themselves in and to them belongs all the responsibility so far as their department goes.

It is up to the employes of the school to keep the school house and property in order, neat as to appearance, always ready for work and later it is up to the preacher to keep the churches flourishing and doing their part in the country; again, up to the fire department alone to respond to the fire alarm; up to the police to keep down vice and crime; up to the sheriff and district attorney to see to the law's enforcement; up to Congress to find a solution of our gigantic social and economic problems, and so on almost without limit.

Of course, life is not as simple now as it was in the village days when the small community was nearly self-sufficient and an emergency called everybody out to meet it, but has not the departmentizing of life brought a psychology into our lives that places us in great danger. One need not actually do a thing and yet he may be a determinant as to how it shall be done and that he shall be as intelligent and as well-informed a determinant as possible in the problems affecting the future welfare is of the utmost importance in a democracy.

We say that Congress has up to it to-day perhaps the most difficult and momentous problems that a body of legislators ever had, but are these problems alone up to Congress? Is their solution not up to us? Many of them affect the business life of the nation most intimately; many are problems in which social and business elements enter inseparably and surely the business men of the nation should

want to exercise actively an influence in determining how these problems shall be met.

No sensible man thinks that the railroad problem is strictly up to Congress, nor even up to the railroad men and Congress combined. It is a problem in the right solution of which every intelligent man ought to have an interest. Let none of us say: "This problem is not up to me." To speak thus is to shirk one's duty. To try to shove the responsibility upon others and take no part in that proper public opinion which is essential to the enactment of constructive railroad legislation is to run away from our privilege and duty of citizenship in a republic.

The railroad question as one of the greatest constructive problems before us, is such a vital credit problem that the Bulletin will attempt to keep it before its readers month by month, for it feels that the credit men of the nation should exercise a far-reaching influence upon this great credit problem. Elsewhere in this Bulletin is presented some of the points in the problem which the Chamber of Commerce of the United States is endeavoring to fix the thought of business men upon. The Bulletin earnestly seeks from members and others contributions upon this most important problem.

AN urgent appeal is made to the members of the Credit Men's Association to do their utmost to advance the sale of War Saving Stamps. Actual warfare is over but the fevered rush to equip the country to carry on years of combat requiring mountains of material could not be brought to a halt suddenly. Just as it took time to start the rush, so it is taking time to get the government on a peace-expenditure basis and the government finds itself confronted with expenses no man could have closely approximated.

The time has come to meet the situation by the application of the most scientific saving method yet discovered and the War Saving Stamps come close to furnishing that method. They are purchased with the small change one can save by taking a little thought—without sacrifice and without altering one's mode of living. They offer a chance for contest, one stamp buyer with another, or, as in golf, a chance for one to compete with himself, going the round of the month with a little better record than the last month just because a little better skill was used or better luck enjoyed in keeping out of costly hazards.

Get the spirit of the War Saving Stamp movement and pass it on to all about you.

At the Detroit convention of the Association, held last month, the following resolution was adopted:

"Resolved, that the Association lend its cordial cooperation to the Treasury Department in forwarding the sale of War Saving Stamps or Thrift Stamps, affording, as they do, a highly scientific method of saving and an opportunity without sacrifice to help the government meet its after-the-war obligations."

The proceedings of the Detroit Convention of the National Association of Credit Men will be published in full in the August issue of the Bulletin.

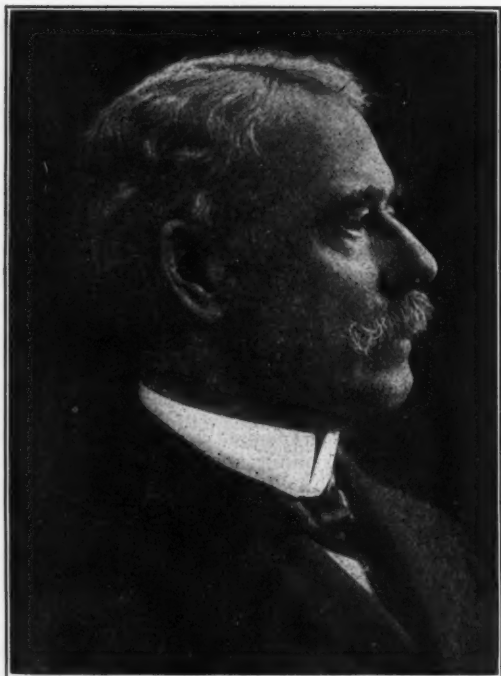
Charles Biggs, Dean of the Credit Men's Profession—Dead

Probably no name has ever appeared so regularly in the proceedings of the annual conventions of the National Association of Credit Men as that of Charles Biggs, the dean of the credit men's profession. He was as usual in his place at the Detroit convention last month, but it was to be his last, for he returned home ill and died June 21.

Mr. Biggs was truly a remarkable man. He had taken an active and important part in the business life of Chicago when it was a city of boardwalks and unsurfaced streets and of New York when there was little north of Twenty-third street but open country. He observed the development of this raw country with the keenest interest, always with youthful spirit of hope and expectancy, not the sort that harks back to the old times as so much better than the new, but with an appreciation of the fact that it is always the same old world in new dress, with a heart very much the same from one generation to another, but with a mind better and better informed, more intelligent, and actuated by a better standard of motives.

Mr. Biggs was a man of broad culture and attainments. He felt that one was never too old to enter new fields of learning and discovery and he and Mrs. Biggs could often be found during the winter months at the Columbia University lectures. Consequently, his conversations were rich through long experience and intimate knowledge of things practical and theoretic. Mr. Biggs had the remarkable faculty to strike quickly the sympathetic chord with almost any of his fellow creatures, always contributing something to the enrichment of the other's life.

He was the last of the members of that committee of 1896, who drew up the original constitution and by-laws of the National Association of Credit Men, a work the importance of which those who knew him best will want to believe he realized full well the importance of. He was the second president of the New York Credit Men's Association but never sought, and, in fact, discouraged official recognition in the National Association of Credit Men though there never was a formal or informal official gathering complete without him.



The Association suffers a great loss in Mr. Biggs' death. No one will ever know how much it owes this splendid man whose unusual attainments and personality were so largely devoted to the making of a better credit men's national organization. To his widow, who must have had much to do in bringing out the full usefulness of Charles Biggs' life, the Association now pays homage.

Captain Buck Resigns as Secretary of the Baltimore Association

After fourteen years of service the secretary of the Baltimore Association of Credit Men, Captain Samuel D. Buck has resigned in order to get that necessary relief from the increasing duties with which the secretary's office has of late years been burdened.

At the time Captain Buck became secretary there were but 140 members in the Baltimore association and no permanent office for the association to conduct its work in. Now the organization has 712 members and a large office home.

Captain Buck will still continue to make his headquarters at the office and wants the message given out to his many friends throughout the National Association that he will always be glad to be of service.

The Credit Department from the Point of View of the Sales Department

J. W. HAMILTON, Finch, Van Slyck & McConville, St. Paul, Minn.

A house can get along without a sales manager, but it cannot get along without a credit manager.

It is unnecessary to say that the credit department must have rules for its conduct just as a city or state must have rules for its conduct, rules that must be lived up to. A house that is conducted under definite rules will be more respected by the trade and will last longer than the wobbly variety.

Where you have the choice of a house losing an account worth ten thousand or twenty thousand dollars because of some interest charge dispute it is a serious matter and naturally the sales manager feels vitally concerned. Probably the only way to handle the question is to lay the cards on the table and put the case in the hands of the account itself, asking whether it were fair that it ask the house to break its rules and regulations in its case.

It is the duty of the sales manager to impress upon the road men the absolute necessity of the credit department and of the importance of the road man's cooperating with it by giving full information with respect to new accounts and data which may help the credit man to protect his accounts, such, for instance, as whether the account is putting on too many sales or seems to be selling out or changing hands.

There are important methods by which the credit man can help the retailer without deviating from the strict handling of his credits and these methods are as essential to the retailer himself as to the credit department.

One way is the use of leaflet service between the wholesaler and the retailer, leaflets containing helpful thoughts and ideas with respect to his business from a credit point of view. Take dry-rot cases. Analyze them in the leaflet. What are the essential points to be looked at in determining dry-rot?

1. Size of stock
2. Turn-over.
3. Bills receivable account

with figures year by year to show how the stock has grown, whether the turn-over has shown progress and whether the bills receivable have been unhealthy.

The cards should be so written as to stimulate the mind of the retailer to question how his records stand. The moment a merchant begins to analyze in what direction he is going, he is safe. Every man who follows failure cases closely finds reason for the failure in certain weaknesses which were discoverable before the failure took place.

The problem is to find the best method of bringing the common weaknesses in the retail trade clearly before the retailer and getting advice to him.

The brief messages to the retail trade, if they are to win sympathy, must be couched in the cleverest language possible, for,

of course, it is a delicate matter to tell merchants where their weaknesses lie. Many retailers, for instance, cannot keep books nor do they know much about stocks nor of the importance of getting rid of dead wood, or that a quick loss is better than a postponed one.

Credit Rating the Farmer

THE CONNECTING LINK OF AGRICULTURE, COMMERCE AND INDUSTRY

By IVAN WRIGHT, Cornell University, Ithaca, N. Y.

Farmers need a business credit rating. A simple system for credit rating farmers is demanded at this stage of development in farm organization and farm accounting. Other business men, such as merchants and manufacturers, have their credit rating in Dun and Bradstreet. It will be the purpose of the following to show the need of a credit rating for farmers; make suggestions for an organization to credit rate farmers; point out some of the benefits to be derived, and some of the criticisms to be faced.

THE NEED OF A CREDIT RATING FOR FARMERS

It would be superfluous to go into detail explaining the need of a credit rating of the American farmers. The need for the credit rating of men who are parties in business transactions has been well proven by the tested benefits of Dun and Bradstreet's credit-rating agencies, and the work of the National Association of Credit Men. That the average farmer does not get ample credit for carrying on the productive operations of his trade is common knowledge to any student of finance and agriculture. The evidence that agriculture is held in check for want of legitimate credit is: the growing requests for both long and short-term credit by farmers, the limited amount of credit working in this field, and the abundance of safe security which farmers can offer for credit.

But why is credit not granted to farmers as freely as to other entrepreneurs? There are many answers given to this question. Among the well-advertised answers are: "The slow turnover in capital invested in farm operation," "failure in promptness on the part of the farmer," "uncertainty of farm operations," and so forth. All these objections to allowing the credit stream to flow freely to farmers have their justification. But the chief objection we hear little about. That objection is: We do not know, in an accurate and definite business way, anything about this man called a "farmer." What sort of man is he? What is he worth as a credit risk? Where are his book accounts and the records of his operations? Where is his profit and loss statement and his balance sheet? These are the acute reasons why farmers have difficulty in securing adequate credit. What merchant without any business records to show could get credit? Certainly very few could. Then has the farmer really been treated unfairly in the matter of credit? I think, according to commercial requirements, he has received a square deal considering customary business transactions in credit. Those farmers who have been able to show beyond doubt their credit ability have generally found adequate credit accommodations. In fact, many instances can be cited where farmers have been

accommodated too freely and as a result business losses among farmers are common. For these reasons other farmers have been discriminated against who were deserving of credit. But if they had been able to show records and accounts substantiating their credit ability they would have been served with the proper credit.

AN ORGANIZATION FOR CREDIT RATING FARMERS

An organization similar to the present farm bureau organization would be adequate for credit rating farmers. Such an organization could be a part of the farm bureau plan, and if not a part of the farm bureau organization they should be co-workers. The credit rating operations strike so parallel with farm bureau work that it might seem to be a part of the farm bureau manager's business. But most farm bureau men are not prepared to do this sort of economic work, and even if the farm bureau men could handle it, the task would be entirely too much to add to the present endless duties of a farm bureau manager.

A local bureau by itself or acting independently would be too much of a restriction for the farmers it served. Farmers' business transactions are by no means confined to their own country or even their own state. Then obviously there should be a central state bureau to direct the work of all the local credit bureaus uniformly in the same broad general principles, leaving room, of course, for local initiative. This central bureau of the state could be a part of the extension department of the State College of Agriculture in conjunction with the Economic Department. Then, like the farm bureau organization, there could be a national office at Washington. The chief duty of this office would be to supervise the credit rating service throughout the country. Of course details would be left for the adjustment of each state or community according to its needs. This central organization would be necessary in order to standardize the work so that the reports of a bureau in New York would be perfectly understandable to a man in Texas who had familiarized himself with the plan anywhere.

WORK OF THE ORGANIZATION

The first duty of the local bureau would be to install a system of records and accounting for farmers who are interested. This would be done upon the payment of a nominal fee and membership dues. These records and accounts can be made so simple and plain that any farmer who can read and write will have no difficulty in filling them out. For each applicant an inventory would be made and a classification of the accounts for bookkeeping and record purposes. Along with these primary accounting essentials the credit manager would investigate the validity of each applicant's report, and with the inventory prepare a debit and credit statement with a balance sheet showing the farmer's financial and business standing. Duplicate copies of all these should be left with the farmer. The farmer would make weekly or bi-weekly reports to the local credit bureau of the changes in his operations. These reports would be made on printed forms supplied by the local bureau. The local bureau would check up the farmer's permanent record with each report. Then monthly a statement would be drawn from the farm-

er's own records and mailed to him. At the close of the fiscal year a second inventory would be taken; the books closed and a complete analysis made of the farmer's business for the year. A copy of the final report would be mailed to the farmer, a copy retained in the local office and possibly a copy filed in the central office of the state.

With these records the credit manager could indicate to the farmer at any time just how he stood in a business way or even as to his profit and loss. Certainly no one could doubt the value of such records to county agents, extension workers, and the farmer himself.

SOME OF THE BENEFITS TO BE DERIVED

The credit rating plan would enable the farmer to know by actual figures what he is doing financially, his successes, failures, actual worth and business standing. Besides the immediate benefits to the farmer in knowing these facts and directing his work accordingly, it would enable business men and bankers to know just what the men they are buying from and selling or loaning to are worth as a risk. This in itself would just about solve the farmers' credit problems.

It would teach the farmers how to keep accounts and records, and check up their own business. Farmers will take pains to do this when they are taught that it is to their immediate financial interest to do so.

Farmers want to pay their income taxes. No class of men are more patriotic. But farmers who have not a financial rating and accounting records over a period of years are having no end of trouble in figuring their income taxes. Some will pay more than they should, some less, and many will never know whether or not they owe a tax. The trouble this plan would save the farmers and the additional income secured for the government would, alone, more than pay for credit rating farmers.

The farmer, when borrowing or buying, would be relieved of the present almost insurmountable difficulty of proving his worth as a credit risk by simply referring to his credit rating bureau. If a farmer or organization of farmers desire to make a purchase from a distant company, the company would not need to send their agent and go to unwarranted expense in order to determine the security back of the risk. For only a few cents the company could write, telephone, or telegraph the local credit bureau. For example, suppose the Armour Fertilizer Works of Chicago has been requested by a farmer or a Farmers' Cooperative Association to ship a carload of acid phosphate to Ithaca, N. Y. How does the Fertilizer Works know the security back of this risk? They do not know and must go to considerable expense to find out, and what is worse, all that can be found out with the present unofficial records of farm business must be a mere estimate based upon a guess. The same credit risk presents itself to the livestock commissioner who would deliver to farmers cattle to feed through the winter; the lumber dealer who would sell the farmer a barn pattern; the implement dealer who would sell the farmer a plow or a tractor; the feed dealer who would sell the farmer feed for his cows, and the banker who would loan the farmer money.

The expenses of bankers and business men as dealers in implements, fertilizers, feeds, lumber and livestock, in ascertaining the farmer customer's credit ability, would far more than pay the cost of credit rating farmers.

A credit rating would elevate farming to its rightful position relative to commerce and industry by providing equal business facilities.

The records and balance sheets would be suggestive for improvements not only to farmers but to all those who work in the field of agriculture.

Suggestions for state and national policies of agriculture would be indicative on the face of these records.

CRITICISMS

I am aware that many persons interested in agriculture will say that this would be an endless task and very expensive.

The farmer, like all men who aspire to ownership, is in business for profits. A credit rating would improve his prospects materially. The work, if properly managed, could be carried on successfully with an organization not any more complex than that of the farm bureaus. But as long as agriculturists hold back on progressive practices just because they are difficult, just that long agriculture will lag behind and we will be followers of progress rather than leaders.

Another objection which will be registered against a credit rating for farmers is that farmers will not want to make their financial worth a matter of public information. This is obvious. But the farmer is like any other business man. He is willing to make his business known to officials who ought to know and this information would be properly safeguarded and confidential for business transactions just the same as the credit rating of the local merchant, manufacturer, or other business man.

Some will say that character and capacity are the principal security back of credit and not capital. Certainly these human elements are the best of security but most loans of any size are made on the basis of known capital. Nevertheless, the credit rating and records of a farmer over a period of years would indicate the principal facts regarding a farmer's character and capacity as well as his financial ability.

Such a plan, of course, cannot be worked out in a year or even five years. It will take time, patience, leadership and education. But is not the business ability and ingenuity of our present agricultural organizations capable of carrying through this fundamental plan?

The last pages of this and every issue of the Bulletin present association directories which ought to be monthly reminders to every member of the facilities his membership offers. The local association officers and bureaus are helping some members get valuable information and solve special problems. If you are not using them, you are failing to secure full value from your membership.

***To-Morrow**

Jerome K. Jerome, whose zeal in extreme English liberalism has made him an amateur economist, wonders how it can be that everybody is rich though the world is bankrupt. He sees that:

Prosperity has increased; there is no doubt of it. Our luxury trades have trebled their dividends. Our theatres are crammed. Outside the doors of our restaurants well-dressed men and women wait in queues. Christie's sales-rooms are thronged with millionaires. Pictures for which the artist may have received £50 sell for £10,000. The difficulty seems to be how to get rid of the money. Customers for thousand-guinea motor cars put down their names and wait in patience. As railway fares increase the traveling mania grows. The cost of living is doubled, and everybody is having the time of his life. How is it all done? A large percentage of Europe's wealth has been utterly destroyed. Its land laid waste. Its energies sapped. Its future mortgaged up to the hilt. Ten millions of its most efficient workers lie dead in their graves. Another ten millions, maimed and useless, live, a burden to their country. Its trade is disorganized, its currency debased. Above the ruin and destruction, against the shadow of advancing universal bankruptcy, prosperity, blatant and loud-voiced, proclaims its victory balls and its jazz dances. How is it done? Let me quote a passage from Carlyle's "French Revolution."

All that Carlyle said was that somebody ultimately paid, leaving the riddle as it was. The question is: How is it done? What is it people are spending?

To say they are spending the world's accumulated capital does not answer the question. Whatever they spend, they exchange it for tangible things which they immediately consume. Therefore, at bottom, the phenomenon is one of consumption.

How can people find so much to consume in a bankrupt world? How is it done?

And if it can be done at all, why do the prophets of economic evil say it cannot continue to be done?

The explanation is simple when you face it.

The world is consuming the birthright of the new generation. The human race is not providing for its own increase.

A nation, or the human society entire, is but a very large family. To increase, to live dynamically and multiply, it must have a large power of excess production. The excess is required for the progeny—to give it birth, to feed, clothe, house, rear and educate it through a long period of economic helplessness, and, finally, to put into its hands the tools which are its birthright.

One of the functions of capitalism—perhaps its single most important function—is to anticipate the wants of the future. The annual human increase finds itself expected. Houses, workshops, tools, railroads and merry-go-rounds have been most thoughtfully provided.

*New York Tribune Editorial.

That is the work of capitalism.

The incentive is profit.

In war that vital function of capitalism is deranged. Partly induced by greater profits and partly conscripted by taxation, capital is diverted from the future to the present. It stops anticipating the wants of society's increase and is employed in the immediate business of society's preservation.

Every city is short of houses because the capital that would normally have added thousands of units each year to the cities' housing facilities went to buy Liberty bonds and pay war taxes.

The government wanted guns and ships and munitions and great quantities of food for the sustenance of an army and to stimulate the production of these things it paid very high wages to labor and guaranteed the farmer a high price for wheat. So it happened that the equivalent of many peace-time houses was recklessly consumed between the army and the people. Nothing was saved for posterity.

Suddenly the war ends, but the restraining function of capitalism cannot be restored at once.

Control of the situation has passed to the people.

Through high wages they are able to command almost the total product of labor; and being able to command it, they consume it. That is only human.

Generally in the world to-day society's power of excess production is employed to satisfy immediate wants to an abnormal degree, and the wants of the future are in corresponding measure neglected.

That is why so many Bolshevist people can subsist without working, and why so many other people can consume goods in the extravagant manner abhorrent to Mr. Jerome K. Jerome.

The progeny will pay—to-morrow.

The Man Always "Just Going To"

He was just going to help a neighbor when he died.

He was just going to pay a note when it went to protest.

He meant to insure his house, but it burned before he got around to it.

He was just going to reduce his debt when his creditors "shut down" on him.

He was just going to stop drinking and dissipating when his health became wrecked.

He was just going to introduce a better system into his business when it went to smash.

He was just going to quit work awhile and take a vacation when nervous prostration came.

He was just going to provide proper protection for his wife and family when his fortune was swept away.

He was just going to call on a customer to close a deal when he found his competitor got there first and secured the order.—
Philadelphia Association Bulletin.

A Plea for the Man Who Does Not Immediately Join Other Creditors in Friendly Adjustment

H. P. Marshall of the Pittsburgh Plate Glass Company of Detroit feels that there is too great a tendency to make sweeping condemnation of the creditor who refuses to agree to the proposal of other creditors to accept an adjustment or compromise settlement of an account in which they are interested, presumably for the purpose of avoiding bankruptcy proceedings.

He believes that sometimes there are good and sufficient reasons why a creditor should withhold his sanction to a proposed adjustment and that his position should not be looked upon narrowly, for frequently this creditor does a better thing for himself and the community at large than is usually supposed, that is, if he is absolutely sincere and has logical reasons upon which to rest his case.

Mr. Marshall goes on to tell about a meeting of about one hundred creditors for the purpose of considering a two-year extension to a concern which might weather the storm if given that consideration and allowed to proceed as a going business unmolested, but which otherwise would have to go through bankruptcy. There was one creditor in the sum of a thousand dollars who refused to agree to the extension and would not be moved from his stand by anybody. His line of argument was this:

"I have known the head of the concern for years and on the strength of that acquaintance sold him that bill of goods in question, being new furnishings for his building. I received only a small payment so that the account as it now stands is practically the total sale. The majority of the other creditors have been selling the debtor right along and have been having the benefit of a running continuous account, and furthermore, it is to their interest to grant an extension as they would continue to sell the debtor, and for the supplies furnished, as is set out in the agreement, cash is to be paid. It is also understood that the debtor is not to take on any extraordinary expense during the two years of the agreement and as my product is not essential to the business, there is absolutely no prospect of my reaping any further benefit. In addition, other creditors of the same class as myself who had sold furniture and fixtures to the debtor have had their work stretched over a considerable period of time and have received substantial payments on account as it progressed. I refuse to sign the agreement to an extension until I get a payment of one-half of my account, which will put me about on the basis of other creditors."

Of course, this line of argument was looked upon, said Mr. Marshall, as reasonable and as such he obtained what he asked for.

In still another case, Mr. Marshall points out, that one creditor refused to agree to a compromise settlement of 40 per cent., on which practically all the other creditors had given their approval. This solitary creditor was more familiar with the business of the debtor than any of the others and stood out for a larger percentage for all creditors. It looked impossible, but when this creditor let it be known he would endeavor to influence other creditors to have a receiver appointed for the business and particularly a man familiar

with its affairs and the line in general, he not only got 60 per cent. on his own claim, but naturally for the other creditors also, making a clear saving of 20 per cent. on the total indebtedness.

From these and other cases Mr. Marshall says we have the illustration of the point that we should not quickly condemn our fellows for holding back in the signing of a compromise settlement agreement. Sometimes it has been shown that their preference to resist the popular method of compromise has meant much to the other creditors. The point is, to be sure that they have good and sufficient reasons and not to be hasty in condemning them as having ulterior selfish motives. There is the danger of being too easy towards compromise settlements, allowing offending debtors to go gaily on their erring way, adds Mr. Marshall. The creditor who is not easy with the debtor who offers the compromise settlement, will tend to keep the weak-kneed debtors toeing the line. They are not to be condemned as dangerous to the business world if, as sometimes happens, their attitude tends to teach others the penalty of wrongdoing.

Questions That Must Be Answered in Solving the Railroad Puzzle

The Chamber of Commerce of the United States is endeavoring to get the reaction of various constituent bodies on certain questions in connection with remedial railroad legislation, a subject which, it is unnecessary to say, is of the utmost importance to business men of the country. Taking it for granted that it is desirable that there should be corporate ownership and operation of railroads as soon as remedial legislation can be enacted, the question is whether it is for the public interest that there should be consolidation into a limited number of strong competing systems with prior approval by government authority; again, whether railroads engaged in interstate commerce should become federal corporations with rights of taxation and police regulation reserved to the states; again, whether there should be exclusive federal regulations of capital expenditures and security issues of railroads engaged in interstate commerce with provision for notice and hearing for state authorities; again whether there should be federal regulation of intrastate rates affecting interstate commerce; again as to a statutory rule providing that rates in each traffic section shall yield an adequate return on a fair value of the property as determined by public authority; again whether there be payment into a fund of a share of the excess earned by any railroad system under application of the above statutory rule over an equitable minimum return upon fair value of property, this fund to be used as Congress directs for strengthening general railroad credit and increasing general railroad efficiency; finally if there should be a federal transportation board to promote development of a national system of rail, water and highway transportation and articulation of all transportation facilities.

Foreign Credit Department**L. R. Browne of the International Western Electric Company Tells What the Foreign Credits Bureau Should Mean to American Exporters**

A recent issue of a widely circulated trade journal carried a notice to the effect that there was to be established in one of the government departments at Washington a bureau for furnishing credit ratings on foreign firms. The statement is not quite in accordance with the facts. Were any such plan contemplated its function would fall naturally to the Bureau of Foreign and Domestic Commerce. The best of reasons exist for believing that the government does not contemplate making any effort to supply to merchants or manufacturers in this country credit ratings on concerns abroad. It is the intention of that bureau, however, to furnish lists of concerns in other countries and the relative importance and size of the concerns listed will be indicated by signals. Some such bureau would be a highly desirable institution. It would enable the exporter to secure from a national and thoroughly posted source definite and exact information on concerns with whom he is dealing or with whom he contemplates establishing commercial relations. It is clear that some such facilities for the rapid and accurate gathering and dissemination of information are vitally necessary if we are to retain the trade already established with foreign countries and to secure new business and are to maintain that business on anything resembling the scientific basis enjoyed in domestic affairs with a minimum loss in bad and doubtful accounts, the maximum amount of business safely secured and retained, the least possible friction between seller and purchaser, and the most liberal terms which investment in receivables and due regard for turn-over that the initial profit on sales will permit.

Much serious thought has been given to the problem which will confront us ere long of competing with other countries not only on quality and price of merchandise to be sold but on terms of sale as well. We must supply ourselves with some equipment which will enable us to gather our credit information without the delay consequent upon addressing banks or references in other countries. We have the usual sources of information which are, of course, indispensable, I mean the commercial agencies. We have also the facilities offered by the banks, who are most willing, courteous and liberal in the efforts which they are making to supply to the best of their ability information which they can secure on foreign concerns. These, however, do not answer the need which still exists for some centralized bureau for gathering and disseminating the clear and actual ledger experience on foreign accounts similar to that offered by credit exchange bureaus for domestic business established by the various associations throughout the country.

A bureau for gathering and disseminating such information must obviously be national in its scope. It cannot function to the highest

advantage if it is in any sense localized. That statement is too obvious to require an argument in its support. Admitting this is so, certain conditions must be considered in establishing the machinery necessary for the work. The cost to the seeker of credit information should be low. The information which is furnished to such bureau must be inviolate. It must be published in such a way as to preclude the possibility of unscrupulous concerns taking any undue advantage it might give to undermine the business of a competitor to use such information in any way unfairly. The method and bureau which secures and supplies information must in all respects be above reproach and not aim to supply the service solely for profit.

The Committee on Foreign Credits of the National Association of Credit Men has given much thought to the problem. Conditions are pointing more and more to the conclusion that a bureau of foreign credit interchange should be established and conducted by the National Association and at the National office. Numerous conferences have been held and much discussion offered, not discussion as to the advisability of establishing a bureau, but discussion as to the best means of establishing it, putting it on a workable basis, eliminating disadvantages and leaving only advantages to the members.

The National office had in its possession prior to the entry of this country into the war approximately four hundred and fifty names of concerns doing export business either in connection with their domestic business or engaged exclusively in exporting. A letter presenting a broad and general statement of the credit interchange idea was prepared and mailed to these names with a request that the recipient state whether he was or was not in favor of the plan. The answer was almost unanimously in the affirmative and additional information in most cases was requested. It was believed that if we could secure fifty signatures the committee would be warranted in planning to make an early start in the actual work of operating the bureau. Up to the present time approximately two and a half times that number of concerns have signed the contract for bureau service. The sort of contract they signed will be found on a page advertising the bureau in the advertising section of this Bulletin.

The fee is but \$50 and the bureau agrees to furnish one hundred reports on request. Additional reports over the hundred will be furnished. The bureau will supply free of charge a copy of all reports on any concern to members who have furnished information on that particular concern. The information will be revised frequently and when such revisions are made a copy of the revised report will go to the members who are interested. The files of the members should contain for the most part up-to-date and dependable credit data. It is the intention not only to furnish information as to the amount of credit extended, amount owing and past due and customers' performance, but what is equally necessary, information as to terms extended, the customers' habits as regards acceptance and payment of drafts and such other facts as are necessary in fixing terms which, as you already know, often vary as widely as do customs in countries in which sales are made.

The committee does not pretend that by using this bureau an

exporter can dispense with the use of all other methods of getting information, such as the commercial agencies and banks. They will be just as necessary and useful in their place as ever; but for correct and exact ledger information, details as to performance, etc., the bureau can supply a need which cannot be otherwise met.

In addition to the credit information which will be furnished, it is the hope that the bureau will be able to cooperate with certain departments at Washington and from them secure reports of consuls indicating conditions in countries abroad, information as to habits of a national, commercial or political nature, matters of social life and customs, which all have their effect upon the atmosphere of credit. Further, it is hoped that the government can be induced to require that commercial attachés and consuls abroad furnish information along the line of a questionnaire which the committee has suggested to the end that various representatives will not pursue their investigations so much along the lines of their own individual inclinations or training as on a strictly scientific and uniform basis. It is the intention to furnish the information secured through the bureaus to members of the credit interchange bureau without charge and as rapidly as secured and compiled.

Arrangements for securing such information have been made and assurance is given that the Association's ideas along this line are looked upon favorably by the government officials, who most certainly will cooperate to the best of their ability.

The Formation of Foreign Investments Trust

The Federal Reserve Board recently commenting upon so-called investment trusts and their relation with the export business says that the investment trust should be highly beneficial to those who participate in it simply as investors, but that the establishment of companies for foreign financing will serve a much more important end, namely, the facilitation and promotion of the export business of the United States. Probably in the present circumstances the proceeds will be used in purchasing American supplies and materials even though there has been no express stipulation that the proceeds growing out of such advances shall be spent in the country from which the capital is derived.

In the present situation, the extension of our actual export trade in materials is more feasible than ever before because of the fact that the United States occupies a position so conspicuous, not to say unique, as a creator and furnisher of capital in international business. Occupying this position, the nation is able to make its own terms for the furnishing of capital. It is, in a sense, able, in other words, to establish its own price for goods sent to foreign countries, taking its payment in the form of securities, which are then distributed to buyers, it being remembered, of course, that good judgment and moderation in fixing the terms of the loans and the conditions of purchase will be required if a satisfactory and permanent relationship is the object aimed at.

Investigation and Prosecution

The Earmarks of Fraud

A conclusion reached by the Investigation and Prosecution Department, after observing fraudulent schemes and cases over a number of years, is that such schemes present so much that is similar that if the credit man would but study carefully he would be forewarned by the way the scheme presents itself and in many instances avoid a loss.

One of the most common schemes is to build up a credit based on a false financial statement, care having been used so to frame the statement that the correctness of it may afterwards be proved. In this connection, a case may be cited handled by the National Association some years ago in which a gang operated in twenty-six cities, securing, in each instance, a credit rating by placing in the bank a large sum of money. Through connivance on the part of co-conspirators, a financial statement was requested from mercantile agencies upon the party in whose name the new scheme would be operated. In giving a statement to the mercantile agency which might solicit it, they would reluctantly admit among assets a large sum of ready cash, and on being questioned would more reluctantly state the name of the bank where it was located, giving in finally under pressure. After the statement was verified at the bank, the co-conspirators being given the rating they needed, the men higher up would be notified and the money would be drawn from the bank and sent to another city to be used in opening another business there. In this manner the gang was able to obtain merchandise to the value of more than one million dollars.

Experience has taught that all of the letters from these crooks were so much alike that they became readily distinguishable and if the credit men had but paid close attention and read between the lines they could easily have detected these fraudulent letters from those of honest though perhaps ignorant merchants.

It may be surprising to credit men to know how many are the obstacles met in producing the right sort of evidence for fraud prosecution, not one credit man perhaps being able to produce an original envelope in which the unsolicited order was received, regardless of the fact that his attention should have instantly been called to the importance of keeping the original by the appearance of the letter itself.

When credit men begin to give such matters serious consideration and attention it will become harder for these crooks to operate. If they would but call the attention of the Association to all suspicious, unsolicited orders, then it would be possible to check the same from the Association's files and cards and thus locate the new fields of activities in which these crooks have again started.

CHARGES MADE BY PITTSBURGH ASSOCIATION FOR FALSE STATEMENTS

The prosecution bureau of the Pittsburgh association has been interested in the case of W. G. George, who started business at

Donora, Pa., October 3, 1918, claiming assets of \$6,100 and no debts. He made statements in writing to a certain wholesale house to that effect for the purpose of obtaining goods. At the instance of the Bureau he was held on a charge of making false pretences for the purpose of securing credit. A petition in bankruptcy was filed early in April, 1919, disclosing owings to various merchants of five thousand dollars and a stock, when sold, of \$2,025. A bill has been returned by the grand jury upon the charges made and he is being held for trial.

NEW YORK ASSOCIATION CLOSES SUCCESSFUL PROSECUTION

The New York Credit Men's Association, with the assistance of the Department of Justice and the Post Office Department, has brought to a successful conclusion the investigation of a scheme of systematic, organized, commercial plunder which is estimated to have cost the business men of New York City alone over \$350,000 during the years 1916, 1917 and 1918.

Seven brothers, Abraham, Charles, David, Elias, George, John and Joseph Solomon, who learned the bankruptcy trade in 1911 when operating a chain of stores in New York, Pittsburgh, Chicago, Cleveland, Philadelphia and St. Louis, seem to have been the principals and organizers of the system which has now been exposed and sentences of from two months to two years in Federal prisons will keep their genius in suspense for the present at least.

It was the old game of many stores apparently independent, each establishing its credit by reference to the others, fortified by false financial statements and fictitious accounts receivable. Large purchases on credit; rapid transfer of assets from one concern to another, midnight evacuations, leaving empty offices and worthless records, or none at all, followed always by petitions in bankruptcy and baffled creditors—it was the old story, familiar to all who have extended credit or who have studied the activities of unscrupulous "merchants." Such operations are not usually dangerous, for creditors are general indifferent, or unwilling to pay the expense of investigation, but for once the bandits reckoned without their host.

It was not an easy job. The clues were difficult and flimsy. They led from Maine to South Carolina, and overseas to a soldier with the American Expeditionary Forces. They necessitated an investigation of a dozen or more apparently isolated bankruptcies and the patient piecing together of scraps of evidence gathered at great expense by high-priced detectives and agents of the Department of Justice and the Post Office Department.

Twenty-four principals and their accomplices were arrested. Seventeen of them pleaded guilty to the indictments. On June 18, ten were sentenced to terms in Federal prisons. The ringleaders, the seven Solomons, were sentenced on June 27. When pronouncing sentence, Judge Knox of the United States District Court characterized the case as one of the most glaring bankruptcy swindles that had ever come before him, and he took occasion to commend the vigilance of the Prosecution Bureau of the Association for the service it had performed in bringing this gang to justice.

PROSECUTION UNDER SECTION 29 B-3 BANKRUPTCY LAW

The Association is indebted to A. R. Jackson, a member of the bar at Williamsport, Pa., for a report on the prosecution recently conducted under Section 29 b-3 of the Bankruptcy Act which provides, among other things, "A person shall be punished by imprisonment for a period not to exceed two years upon conviction of the offense of having knowingly and fraudulently presented under oath any false claim for proof against the estate of a bankrupt, etc."

Mr. Jackson believes that as the textbooks do not cite any other case, this is the first successful prosecution under this section of the act. Heretofore creditors and attorneys have seemed satisfied when a questionable claim was proven with filing exceptions thereto and abiding by the decision therein, but in this case not only were exceptions filed in behalf of the creditors but the bankrupt was arrested, indicted, tried, convicted and sentenced notwithstanding the fact that he was represented by three competent counsel.

The facts are these: The Saunders Shoe Corporation was incorporated and operated a small shoe factory in a Pennsylvania town. It filed a voluntary bankruptcy petition on March 15, 1918. On February 3, 1919, Barnett Levinson, their treasurer, filed a proof of claim against the estate for \$18,000, which, if allowed, would have taken out of the estate not less than \$2,700 clear money. Levinson was arrested, indicted in the March term of the United States District Court for Pennsylvania at Scranton, and after a four-and-a-half-day trial convicted and sentenced.

Levinson claimed that he had loaned the corporation during April, May and June, 1916, \$8,000 and \$2,300 on or about September 1, 1916, \$3,600 loaned by Max M. Finkelstein to the corporation which was made over and transferred by the said Finkelstein to the said Levinson prior to October 10, 1917, and various other loans made from time to time aggregating slightly in excess of \$18,000 which Levinson claimed was due and owing him from the corporation at the time of its adjudication, March 15, 1918.

Mr. Jackson in behalf of the creditors contended that Levinson had not loaned the corporation anything, and in proof showed, evidently to the satisfaction of the jury, that Finkelstein bought stock of the corporation and that this alleged loan was simply money paid into the corporation on this stock, and that Levinson simply bought this capital stock of Finkelstein. Jackson and his associates showed that stock had been issued to Levinson and Finkelstein, and the Finkelstein stock transferred to Levinson and that the corporation subsequent to the alleged loan had made financial statements over the signature of Levinson, himself, in which they claimed no indebtedness to individuals; that the schedules of the corporation, themselves executed by Levinson, himself, showed an indebtedness of \$1,643, and that there were no loan accounts in the books of the company, notwithstanding that competent bookkeepers had been employed. Levinson undertook to take refuge under the allegation that the proof had been made out and filed upon the advice of competent counsel. The questions of law raised were the admissibility of the books of the corporation as evidence against

Levinson, and to what extent, if any, advice of counsel was a defense. The jury brought in a verdict of guilt against Levinson.

How the Cash Discount Was Protected Against Abuse

The Boyer-Campbell Company of Detroit recently addressed a letter to Secretary Hamburger of the Detroit association crediting the use of the cash discount card published by the National Association with most satisfactory savings because it produced in the hearts of buyers increased respect for the cash discount terms. The company writes as follows:

"During the past two months, we have enclosed with all invoices and statements several thousand of the small cards printed by the National Association, which have reference to the meaning of cash discount terms. The wording of these cards is short and snappy and particularly conveys to the concerns who are in the habit of taking cash discount to which they are not entitled, that cash discount is a premium for prompt payment, and is not a trade discount

"By using these enclosures, we have made a considerable saving of cash discount which otherwise would have been taken, and which as a matter of policy we would have been forced to allow; and we also feel that our customers are better satisfied by being informed of the misuse of cash discount through the medium of this card than through a personal visit, a telephone call or a letter from us.

"It would seem that if all of the members of our Association would unite in making a campaign against the misuse of cash discount by distributing these enclosures in the same manner as we have done, the trade in general would soon be educated on this particular point, and business would thereby be greatly benefited."

The Baltimore Credit Institute

The National Institute of Credit, Baltimore division, graduated twenty-four at its commencement exercises held at the conclusion of the first year of service. Forty-nine students were originally enrolled and thirty-two completed the course.

The work was based upon Golieb & Ettinger's volume on Credits and Collections, and conducted by Geo. J. Clautice of Lyon, Conklin & Company, Inc., who has been leader in the educational work of the Baltimore association.

Mr. Clautice was assisted by special lecturers, among them being J. R. Hewitt, credit manager, Baltimore Hub; Waldo Newcomer, president National Exchange Bank; Ira L. Morningstar, Kingan Provision Co.; Blake Bourne, John E. Hurst Co.; O. L. Moulter, superintendent Bradstreet Co.; J. N. Horton, manager, Credit Clearing House; W. M. Coulter, assistant secretary, Baltimore Association of Credit Men.

In conjunction with the course was one on business barometrics furnished by Babson Statistical Organization with a special lecture on the subject given by Dr. H. F. Arens of that company.

Putting It Up to the Buyer to File Claims Against the Transportation Companies

A brief article in the June Bulletin under the title: "Putting It Up to the Buyer to File Claims," in which was given copy of form used by a distributor of boots and shoes to notify the consignee that the filing of claims for shortage, breakage and damage in shipments is a matter strictly between the consignee and the transportation company, has attracted considerable attention. The article suggested to a member engaged in the drug line, for instance, that he send a copy of a paragraph of a letter which his company forwards to a customer when he complains of damage in transit. It reads as follows:

"We do not hold ourselves responsible for merchandise broken, damaged or stolen in transit. However, we do not propose that our customers should sustain a loss because the transportation companies do not exercise proper care. If you can prove that you received the consignment in bad order (*even though the damage was concealed and unknown when signed for by you*) we can obtain redress by entering a formal claim. A postal card is all that is required, but your local transportation agent must be advised within forty-eight hours to call and inspect."

The question is, what is the more common practice—for the consignor to file the claim against the transportation company or for the consignor to insist that the consignee be responsible for the filing?

The Reed Manufacturing Company of Newark, N. Y., approaches the matter of claims on the transportation company from a somewhat different angle. The company incloses in its invoices a notice to customers reading as follows:

"DON'T PAY THE FREIGHT

until you have examined each package and secured a notation by the agent on the freight bill of any damage or shortage that appears.

"UNPACK YOUR GOODS PROMPTLY and notify your agent IMMEDIATELY IF CONCEALED DAMAGE OR SHORTAGE is discovered, giving the agent an opportunity to inspect the damaged goods. Do not put any goods into your stock room or warehouse without careful examination. We refer particularly to merchandise packed in paper cartons.

"The railroad company will not be responsible for concealed damage or shortage unless same is reported IMMEDIATELY after delivery. Claim must be filed within four months from date of shipment. If you give the railroad company a receipt for goods damaged or short YOU DO SO AT YOUR OWN RISK. We comply with the railroad company's requirements in packing and crating, and positively are not responsible for goods damaged, concealed or otherwise, or lost in transit.

"After reporting the damage to the railroad company if you will write us the details within 10 days we will render any possible assistance to get your claim filed and settled."

The company conducts a claim department which is put at the service of the customer if he but returns papers and full information regarding the damage claim. When a claim is paid and the customer has remitted for the invoice in full, the company sends check covering the loss paid to the railroad companies. This method makes friends for the company among the smaller classes of trade which do not have the proper facilities for filing claims and have never undertaken to investigate this part of its business.

Thomas Trant & Bro. of Hartford, Conn., dealers in plumbing and heating supplies, have felt forced by reason of the number of arbitrary deductions from invoices for so-called damage in shipments to issue the following notice to customers:

"Commencing with shipments being made on or after September 1, 1918, we will positively not allow any claim for breakage or loss of goods in transit. We deliver the goods to the transportation company in good order, after which our responsibility ceases. Our invoices must be paid in full. Your recourse is in the transportation company, not in us. If goods arrive in bad order, before receipting for them, require the station agent to note same on freight receipt, then make your claim on the transportation company. If you carelessly accept shipments short or in a damaged condition, without proper notation on freight receipt, the loss will be yours, inasmuch as we will not allow any deduction from our invoice. You must make your claim on transportation company, else you will not be able to collect for the damage.

"This action is made necessary by the large losses we are suffering by customers deducting in settlement for breakages, and when our claims are presented to the transportation company their records show a clean receipt and we are unable to collect the claims. This rule will be rigidly enforced in every instance.

"Kindly be guided accordingly."

Don't be an easy mark for the beguiling collection agency. It is not a matter only of money paid in advance under all sorts of guarantees; of turning over money on your accounts for which the agency becomes virtually trustee; but of your own good name being associated in the minds of even poor payers with a concern of low tone. Use the files of the Association before giving an agency your business.

The Problem of Merchandise Returns

At the Detroit convention the following resolution was adopted regarding the return of merchandise bought and sold in the regular course of business.

"Resolved, that the National Association of Credit Men, in convention, again urges upon its local associations and individual members that they endeavor to introduce into their relations with customers better order and system in the return of merchandise, adopting and supporting with all earnestness the rule that no goods regularly ordered and shipped may be returned to the seller until the reasons for the return have been cited to the seller and an opportunity afforded both sides to examine into the merits of the proposed return; and be it further

"Resolved, that the credit department make a special point of bringing about in the selling department a full appreciation of the wastefulness of the wide-open privilege of returning goods that has so long prevailed in our credit system."

Commenting upon this resolution, A. P. Wettstein of the Western Hat & Manufacturing Co. and member of the American Association of Wholesale Hatters, gives the following complete analysis of the abuse:

The men who have been in commercial affairs during the last twenty-five or thirty years and have observed as they went along know that the period has been characterized by a competition that has invited abuses. Business expanded in an almost incredible manner, new enterprises developed rapidly and in order to secure the business necessary to their maintenance, many unfair and unbusinesslike inducements were offered.

Unscrupulous and ambitious traveling men, with the support of their houses, offered every possible inducement, fair or unfair, to secure business; agreeing to excessive discounts, suggesting the shipment of goods on approval, offering to take back merchandise should it prove unsalable and frequently agreeing to take old goods from the shelves of the retailer and replace them with new merchandise; thus implanting in the mind of the retailer after several experiences of this kind the notion that this was legitimate business, that the manufacturer or wholesaler was accustomed to and could well afford to deal in this way and developing wrong perceptions of business ethics which have brought the trade abuses which to-day have become a heavy burden upon the community at large.

Among the abuses which have grown to large proportions and become burdensome to the manufacturer and jobber are the unjust deduction of discounts, the practice of permitting invoices to run beyond maturity, accepting this accommodation as a matter of course and generally refusing interest for the additional time arbitrarily taken; the cancellation of orders which have been placed in good faith and the unjust return of merchandise which has been bought in good faith and shipped exactly as ordered.

I desire to dwell especially upon the last trade abuse for it has grown rapidly during the past years and I fear will continue to grow until it is beyond our control unless drastic measures are taken at once to curb it.

Perhaps the losses sustained by the manufacturer and jobber through the unjust return of merchandise, which he has made or purchased in conformity with his orders, is not quite apparent. Immediately upon receipt of an order from his customer, a manufacturer or jobber arranges to fill it, either by proceeding with the manufacture of the goods bought or by arranging for the purchase of them, that he may be in a position to make shipment at the proper time. His purchases or his orders in his factory are governed directly by the orders on his files.

When the date of shipment draws near, the merchandise is selected, the goods carried into the shipping rooms, checked and rechecked, packed, placed in the hands of the drayman and finally delivered into the hands of the transportation company, each of which processes is attended by expense and in the aggregate a large expense is rolled up.

When the retailer receives these goods, he may open them at once if the season is advanced and if upon examination he finds a portion which does not appeal to him as strongly as when first he made his selection, he is apt to feel at perfect liberty to return any portion of the shipment he pleases. More frequently, however, the retailer stores the goods in his warehouse awaiting the opening of the season. After four or five weeks he opens the cases, looks over the contents and should he find merchandise which he does not like or should he have carried over more goods than he expected when his order was placed, he is quite likely to return a considerable portion, a large percentage of the goods he had selected and which had been shipped at his orders, unconscious of the fact that he is perpetrating an injustice and violating an agreement.

Other merchants, still more disregarding of those with whom they do business or of the obligation which attaches to a purchase, go to the extreme of returning goods after they have been upon their shelves for many weeks, feeling that the house what shipped them is responsible for their sale and that they are justified in returning any portion of a shipment if it does not happen to sell.

That these goods are shelf-worn, that they have been out of the possession of the manufacturer or jobber for four or eight weeks; that they have selected these goods and that they were shipped at their orders—these facts carry no sense of responsibility to them.

When these goods are returned to a shipper, again is involved the expenditure of transportation charges and the labor incident to the carting, the unpacking, the checking and the rechecking of them and the returning to stock, placing additional burdens upon the firm to which the goods were returned.

This waste, however, is insignificant compared with the losses arising from the selling of the goods. Frequently, as suggested above, merchandise is returned at the close of a manufacturer's season, this being, of course, the beginning of a retailer's season. Styles are frequently sold out, necessitating the sale of the small lots returned at job lot prices, entailing perhaps a loss of 50 cents on the dollar.

In addition to this, after goods have traveled hundreds or thousands of miles, they come back in poor condition, necessitating the reblocking and the reboxing of merchandise and imposing further expense upon the manufacturer or jobber.

Manufacturers and jobbers who have been conscientiously desirous of doing their business according to high standards, who have sought to live up to the best traditions of business and have manfully set themselves against the encouragement of many of the abuses incident to business, have been compelled to submit to the arbitrary return of goods, for the practice has become so universal that failure to follow a recognized custom would threaten a large portion of their business. They have carried their burdens patiently and sought to meet their losses by imposing profits to cover them. However, this evil is growing so seriously that some remedy must be devised or other problems will confront them in the years to come. Unless something is done to stop this practice, unless new business perceptions are implanted in the minds of many retailers, shipments of goods will be looked upon in future years as consignments which may be retained or rejected at will.

The trouble lies in the fact that merchants generally, smaller country merchants especially, have lost their recognition of the obligation which attaches to the placing of an order. They do not understand that an order placed represents a contract which cannot be broken without the consent of the two contracting parties. They do not recognize the losses which ensue because of the violation of a purchase contract.

A large part of the waste incident to the return of goods could be completely eliminated by the exercise of a little care by the retail merchant in the selection of his goods. If he understood that he could not return goods which he had bought and which had been shipped him as bought he would devote himself to the selection of his merchandise with much greater care, selecting goods only which he felt confident he could sell and which he would buy in quantities which he could dispose of with reasonable certainty.

It is the consciousness that he may return anything which may not sell which leads to careless buying and which has resulted in the evils and the losses incident to this vicious practice. Some steps should be taken at once to change his view of an order, to implant in his mind that an order is a contract which he must respect and that when he buys goods he has a moral obligation to accept them, provided always that they come to him as purchased.

There is, of course, entire justification for the return of goods which have been shipped through error or which represent substitutions unsatisfactory to the retailer. It will always be necessary, of course, to substitute here and there where the exact style bought has been sold out and a merchant stands in urgent need of something to supply his wants.

If the judgment of a manufacturer or jobber is out of harmony with the judgment of his customer, returns will, of course, ensue. Errors will creep into the filling of orders as long as man is human and in these cases the return of goods is perfectly justifiable.

The return of these goods, however, represents only a small portion of the total amount of the returns and this phase of the subject has no relationship, nor should have, with the return of large portions of goods which have been bought in good faith, shipped in exact conformity with orders and yet returned because a merchant arbitrarily desires to do so.

Let us cite a few characteristic letters which indicate the frame of mind of the retail merchants toward his purchases:

"We have returned you to-day the fall goods, not being just what we can use and therefore ask you to give us credit."

"We are shipping you one dozen men's gauntlets which came with our spring order. We cannot use these as gauntlets do not sell here. Please send credit memorandum."

"We have returned one dozen pairs of boys' gloves which we find we cannot use because we have carried over too many. These gloves are strictly O. K., but as long as we cannot sell them, what is the use of keeping them."

All of the items referred to were ordered by our customers and goods shipped exactly as ordered.

A year ago a customer at Chancellor, South Dakota, returned 50 per cent. of his spring shipment to us. One of the cases returned was lost in transit and we showed our customer the annoyance and the losses incident to the return of goods which he had bought. The shipment was delivered exactly as ordered and yet 50 per cent. returned and not the slightest reason offered for so doing.

A year later this same customer returned 33 1-3 per cent. of a shipment made him, all of our effort at education having been in vain, for he was thoroughly imbued with the idea that he had a perfect right to return any portion of a shipment of goods he might wish.

One of our customers in Montana sent us a bill of lading a few weeks ago, indicating the return of two cases of hats amounting to approximately \$200 from a shipment of \$500, no reasons being assigned.

These are but a few of the instances which come to us daily, but they are sufficient to reflect the attitude of the retailer toward his purchases.

What can be done to stop this flagrant abuse and to relieve the business interests of the country of a burden which, in the last analysis, means a burden to the individual at large? First of all, does it not call for a campaign directed at the retail merchants of the country with the object of showing them their obligation toward a purchase? Inform them through the newspapers, through periodicals and especially through the trade papers which go to the retail merchant that when they place an order it represents a contract which must not be broken without the consent of the two contracting parties, that a purchase must be respected and that they have no right to return any part of a shipment of goods provided it was duly ordered. Impress upon them forcefully that they have an obligation under the orders they place and that if they violate

this obligation it imposes a burden upon business which the ultimate consumer must pay.

Inform them of the fact that when they place an order with their manufacturer or jobber these goods are manufactured or provided for him and that when they return them later in the season the firm from whom they bought has no market for them and must frequently sell them at serious losses.

Impress upon them the need of careful buying. Show them that they must carry the responsibility of bad selections or of overbuying and that there is no fairness in endeavoring to place responsibility upon the shoulders of manufacturer or jobber.

A campaign of this kind will be of splendid value in changing the viewpoint of the retailer toward a purchase, and with this correction the return of merchandise will recede.

Of course we here have in mind that there is a large number of merchants in the country who do not mean to be dishonest, who do not mean to derive an unfair advantage and who mean to conduct their business in an honest and upright way, yet who have been misled and badly educated by the unfair competitions of the past.

There is a small percentage of merchants who will always endeavor to thrive by dishonesty and who will persist in returning merchandise, in deducting discounts, in asking cancellations, if it seems profitable for them to do so, regardless of what it may mean to others. This small number of accounts must be handled in a drastic manner and must be handled in a personal way by the firm to whom this business is entrusted.

Such a merchant must be made to understand that if he cannot do his business in a businesslike way, if he cannot deal fairly and honestly with his house and conform to recognized business practice, the house that tries to deal fairly with all will not seek his business.

The Credit Clearing House and the Interchange Bureau, as well as Dun's and Bradstreet's, are now giving publicity to accounts which are habitually making unjust demands and manufacturers and jobbers should employ the avenue of publicity afforded by agencies and bureaus to the utmost, with the idea of preventing the perpetration of injustice upon other firms.

Again, of equal importance is the education of the honest but misguided retailer through the individual effort of manufacturers and jobbers. If the business interests of the country will actively discourage the practice described, if every member of the National Association of Credit Men and every member of trade organizations would take the time to write each merchant who returns a shipment of goods unjustly, setting forth the injustice which he is perpetrating and writing him at length in a kindly manner about the losses which he is imposing upon business, we will soon find a reduction in the unfair return of merchandise.

If the United States government, if the Department of Commerce, recognizing the losses which this unfair practice places upon the country, would lend its assistance to the elimination of them, splendid results will soon be noted. If they would initiate a campaign of publicity with the retailer, as outlined above, if they would lend their limitless influence in showing the retailer the obligation

which attaches to a purchase and if, in addition to this, they would ask the cooperation of the business interests of the country, so that every firm would educate his customers as far as lies in their power, this evil would speedily be reduced and a large loss and heavy drain now placed upon the country be eliminated.

Believing that salesmen are in no small degree responsible for the return of merchandise, the Worden Grocer Company of Grand Rapids, Mich., has addressed to its salesmen the following letter which expresses quite accurately the rule that should control in the return of merchandise:

"To Our Salesmen:

IN RE RETURNING MERCHANDISE

"There are a few customers in each man's territory who are unreasonable in regard to the returning of merchandise.

"In case of error, goods should be returned promptly, but the mere fact that a customer has old and spoiled goods on his shelves which he cannot sell is no excuse whatsoever for returning them.

"We are finding a growing number of cases where merchandise has been returned four and five months after it has been received by the customer, and we are inclined to think in some instances that salesmen have encouraged the customer in this kind of practice.

"This is unfair and unreasonable and will never help our business although it may appear to be doing something for the customer. Also many of the customers have gotten into the habit of sending goods back without any bill of lading or memorandum, and therefore we suggest that you be guided by the following general rules:

"Customers are expected to examine goods with reasonable promptness after their arrival. It is unfair to the manufacturer as well as ourselves when reasonable precaution is not used.

"There must be a distinction made between goods that are in bad condition when received and goods that have become bad through lack of proper care on the part of the dealer.

"In case wrong goods have been shipped, the customer should advise promptly so that we can have them delivered to some other dealer in town who can use them or have them returned at our option.

"No claims for spoiled fish should be considered after 30 days.

"No claims or returns for cereals should be made after 60 days.

"All dealers should send us bill of lading and memorandum invoice covering any goods returned and such memorandum should show the date on which goods were invoiced. Failure to do this makes it impossible to guarantee prompt return of credit memorandum, and no customer shall be expected to deduct credit memorandum until he has furnished such information."

"You will appreciate the need of your cooperation in helping to reduce to the lowest point an annoying phase of our business."

Two Useful Form Letters

In response to a request made in the June Bulletin, we are able to present two form letters used by a large New York clothing concern in acknowledging an order from a new customer or an order from a customer now on the books but who has reached the credit limit set by the seller:

"Dear Sir:

"Please accept our thanks for the order entrusted to our Mr. _____, which will receive our careful attention.

"Since this is our first transaction with you and we do not find you rated in the Commercial Agencies, we will have to make the usual inquiries before we can take intelligent action upon this order and determine upon a credit limit for your future business.

"You can greatly assist us in the matter by giving us the names of a few houses with whom you are now dealing and we wish to assure you that any information thus obtained will be for our own use only.

"Anticipating that this order may be the beginning of a pleasant and mutually profitable connection, we are."

"Gentlemen:

"We take pleasure in acknowledging your order which has just reached us and would be pleased to ship same were it not for the fact that your present indebtedness to us has already reached the limit we placed upon your account.

"You will appreciate that since our experience with you has been a limited one, we must necessarily be guided by the usual reports and we feel that relying upon their correctness, we have been fairly liberal.

"Therefore, although we are aware of the fact that none of our bills are due at this time, we would appreciate it—if you desire us to ship this order promptly—if you would favor us with check on account on which we will be pleased to allow you an extra 1 per cent. for anticipation."

Another Change in Sales Terms

The Thompson-Smith Shoe Company, writing of terms of sale and their abuse, declares: "We have had so much trouble with customers deducting the cash discount, thirty and sixty days late, that we have abolished it entirely and we know of many lines of merchandise which are sold on net terms."

Material reaching the Bulletin indicates an interest in those concerns which have changed from the cash discount to net terms and it is for this reason that the above paragraph is given.

***Effective Participation in Creditors' Meetings**

By H. UEHLINGER, Hilo Varnish Corporation, New York, N. Y.

INTRODUCTION

Having certified the credit responsibility of a customer, the credit man naturally looks for a settlement of account according to terms.

When there is a default in payment, it is an indication that his judgment was wrong. A notice of meeting of creditors therefore should interest him intensely, for he will want to know wherein he has made his error.

The credit man who passes a notice of such meeting over to an attorney loses an opportunity to get at the root of business evils, fraud, dishonesty and ignorance of accounting.

This article is written to indicate how to act so that the light will be thrown on all cases, and the credit grantor thus enabled to act intelligently on each case for the interest of better business and better credits.

EFFECTIVE PARTICIPATION IN CREDITORS' MEETINGS

The moment an account comes under suspicion as to its value, the credit man considers it a suspended account. Briefly, "When does an account become suspended?"

An account becomes suspended:

When a meeting of creditors is called by the debtor, his lawyer, or any other person.

When a petition in bankruptcy is filed voluntarily or involuntarily.

When it becomes necessary for the creditor to pass his account to an attorney.

When the customer is being sued by other creditors.

When a debtor dies.

When his business is trustee for creditors' benefit.

When he assigns.

When he is being sold out by auction.

When he burns out and is underinsured.

When he absconds.

When the creditor is unable to collect.

Or shall we say:

When he learns his account is impaired as to liquidation, negotiability or value from any cause whatsoever.

When an account comes under suspicion as to its value it should immediately be transferred from the customers' ledger to the **SUSPENDED ACCOUNT LEDGER** until the account is finally adjusted; until the last dividend, if any, is paid; until there is no more life, no more value to the item. The balance in that account is then charged to Profit and Loss.

The quicker you place accounts in the Suspended Ledger, the smaller will be your loss percentage at the end of the year, because

*Mr. Uehlinger has presented this illuminating article as a lecture at credit classes in New York University and the College of the City of New York and has been persuaded to give it to the Bulletin.

the success of the credit office depends upon its ability to collect the greatest possible percentage of these accounts; and when an account becomes suspended, separated from the regular open receivable account, it has been put where it will receive preferred attention.

The motive that should impel a credit man to take an active part at the creditors' meetings should not be one of dollars and cents, but rather one of justice. He must not aim to obtain more out of an estate than any other creditor, nor should he be overconcerned as to whether the debtor will be able to pay ten cents on a dollar or ninety cents on a dollar.

His greatest concern is whether there is any intent to defraud; whether the impending failure is an honest one; whether the composition, if one is offered, is reasonable, judging from the facts that have been presented and verified.

Dimes and dollars should not prevent digging deeply into the affairs of any debtor to determine these points, for if fraud is to be eliminated and the ignorant merchant is to be helped, it can be done only by putting into the foreground the uncovering of the true facts and into the background the immediate dollars and dimes consideration.

Put the X-ray on every proposition and you will soon discover the worthy, the unworthy, the honest and dishonest and fraudulent.

Having defined a "Suspended Account," we will now outline a

PLAN OF ACTION SUGGESTED FOR USE AT CREDITORS' MEETINGS

which, when practiced, will cause the debtor and all those concerned to look and listen. It is a simple plan and can be easily followed by any reader after a little study of its operation.

FIRST OPERATION

WHEN A NOTICE OF A CREDITORS' MEETING IS RECEIVED

Examine your credit files, ascertain the names of creditors from the trade references that were given when the account was first opened.

During the time that you have had the account other creditors have likely written to your office regarding the customer's paying habits. If so, you should have retained copies of your replies, and these, together with the customer's references, should make a representative listing of creditors who are likely to be interested in the notice that you received from your customer, who is presumed to be in financial trouble.

SECOND OPERATION

TELEPHONING ALL KNOWN CREDITORS IN ADVANCE OF THE CREDITORS' MEETING

In order to direct your efforts intelligently at the meeting of creditors you will telephone each so far as possible and make note of the attitude of each.

You will be obliged to ask many questions in this telephone conversation:

Has the debtor bought heavily lately?
Has he been slow long?
Does he owe you much more in amount than usual?
What were his excuses for non-payment?
Do you believe him honest?
Will you be present at the meeting?
Did he make a financial statement to you?

You will also ask any further question that is pertinent to the particular case that you have under consideration.

THIRD OPERATION

CALLING ON DEBTOR BEFORE THE TIME OF THE CREDITORS' MEETING

We suggest that you make it a practice to call on the debtor before the creditors' meeting and by a series of questions learn as much as possible regarding the proposition that is to be offered in advance.

Now and then you will find a debtor who will not say a word and ask you to wait until the time of the meeting. Another will openly tell you all the details. In another case you may find the debtor's place of business closed and you will be obliged to visit him at his home.

Whatever information you obtain in advance of the actual time of the meeting will be helpful later, will enable you to proceed with greater care and more intelligence.

FOURTH OPERATION

BEFORE THE TIME OF MEETING CALL ON THE LAWYER WHO IS TO HELP HIS CLIENT TO SOME FORM OF RELIEF

The letter that you have received giving notice of the creditors' meeting may be on the stationery of a lawyer. It is therefore suggested that you call on him immediately.

A list of questions should be prepared in advance and the answers carefully noted:

What is the cause of your client's trouble?
Have you a statement of his present financial condition?
Did you prepare a statement of his affairs? If not, who did?
Do you know if it is correct?
What will the proposition be?
How much notice did you give out-of-town creditors?
Why did you not give them more time to enable them to be present?

These are a few proper questions which you can ask any attorney acting in behalf of a debtor..

FIFTH OPERATION

CALL A COOPERATING CREDITORS' MEETING SOME TIME PRIOR TO MEETING CALLED BY THE DEBTOR

If the information you have gathered up to this point in the suggested plan of procedure is of such a character that the interest

of all would be better served by a discussion of what you have learned, it is advisable that you issue a call for an advance meeting. Invite all creditors whom you have found and with whom you have communicated.

Such a meeting should not be held at the place where the general meeting is to be held. Rooms of any local credit men's association, Merchants' Association or Chamber of Commerce are at the disposal of just such gatherings. Make your reservation in advance and it is likely that you will have no trouble in obtaining a private room for the asking.

This meeting should be held without the knowledge of the debtor, or those who are serving him, in an effort to secure some form of abatement from the full payment of his debts.

SIXTH OPERATION

THE PART YOU WILL PLAY AT THIS COOPERATING CREDITORS' MEETING

You have drawn certain conclusions from the preliminary investigation outlined in the previous operations. You have a proper understanding of the case coming up and therefore will know, and not be obliged to guess nor to be surprised at what is going to occur.

Your investigation will enable you to battle for rights with intelligence.

You should frankly tell those assembled what you have discovered, whether the debtor is worthy or unworthy; whether he is ignorant as to business practices or fraudulently disposed.

An open discussion, in which all should participate, will result in the formation of a definite plan of action to be taken jointly when the formal meeting of creditors takes place later on.

May we digress for a moment and say that the general practice, with reference to creditors' meetings, has been altogether too loose. Frequently no preliminary investigation has been made, and many times a notice of meeting is passed to the creditor's attorney. Invariably office boys, messengers, salesmen, all but credit men, attend the meetings of creditors.

There is no cause for complaint, then, when fraud and dishonesty play a big part at these meetings, and ten and twenty cents on a dollar, with part payable in notes, becomes the practice.

These terms have become stereotyped in the minds of those who are willing to fail for the purpose of avoiding their just obligations, and in the minds of many lawyers who serve them.

Certainly it is the duty of the credit man to be present at all meetings of creditors that are called and held within a reasonable distance from his office. Has he not certified the man's credit, permitted goods to leave their accustomed place, and now that he has lost title to the goods should he not be interested enough to discover why they have not been converted into cash, and why he should accept a smaller amount in cash payments than the sums specified when the goods were billed?

If a credit man makes a favorable decision regarding a certain

risk, and his judgment was wrong, his professional pride should prompt him to discover wherein he has erred.

Attendance at these meetings will enable one to see better the cause of his errors and enable clearer steering of similar ones in the future.

Many creditors' meeting are a farce. It is confidentially expected that if the procedure outlined up to this point is followed, credit men will be able to take a leading part in the general meeting of creditors and break the monotony of farcical settlements. Interest in other credit men will be aroused. The credit man who practices what is here set out will serve notice to the debtor and his attorney that a ridiculous proposition will immediately be attacked consistently and thoroughly.

SEVENTH OPERATION

WHAT YOU SHOULD DO AT THIS GENERAL MEETING OF CREDITORS

Let us assume that a meeting of creditors is to take place at two o'clock to-day, that you have followed the preliminary suggestions, that you are in possession of sufficient data to know exactly "how the land lies."

You should be on hand fifteen minutes before the time set to greet those of your friends or creditors whom you have telephoned, or those to whom you have written, as they enter the meeting room.

You and your friends will quietly listen to the debtor's attorney, who often tells his story in tones that seem to demand a pensive tear.

He will probably make a statement as to his client's present financial condition. You will jot down the essential figures and detail of his talk.

After the attorney has had his opportunity to state his case, you will request a roll call of creditors. Many times an attorney will object to this but you must stand your ground. There is no reason why creditors should not be checked, and those absent known to all.

With the attorney's statement of condition, with his proposition in black and white, with your preliminary information, and his client's financial statement that you have received direct or through an agency, you will be in a position to make certain definite decisions respecting the merits or demerits of the case before you. And here we want to impress upon the credit men the absolute necessity of always investigating the debtor's business methods.

EIGHTH OPERATION

ALWAYS INVESTIGATE THE DEBTOR'S BUSINESS METHODS

You cannot make a satisfactory adjustment until you have learned through conscientious study the cause for the financial embarrassment.

Inasmuch as the fraudulently inclined usually cover up their transactions, your questioning must aim to unearth and lay bare their purposes.

If there is fraud it should be unearthed. If there is business ignorance you must discover it. Therefore, always investigate the debtor's standing and never accept a proposition without first testing the accuracy of every figure presented.

If there is any objection to your activities, let it be known that you are not present because of any resentment, or because of the size of your claim, or because you are seeking the last pound of flesh; but to discover why the merchant is in trouble.

If, after the facts are known to all, it becomes necessary to accept ten cents on a dollar, that being the best that can be had, you make it clear that you are ready to sign and give a clear bill on the ten per cent. basis.

But, where dishonesty and fraud are present, let it be known at every creditors' meeting that your firm stands for examination, exposure and prosecution.

The debtor's attorney, when submitting a financial statement, will usually show that there is a deficit—more liabilities than assets. When you extended credit to the merchant the condition was, of course, the reverse. You are, therefore, in each case to determine the loss in value or net worth or capital for a certain period.

NINTH OPERATION

DETERMINE THE LOSS IN VALUE OR NET WORTH OR CAPITAL FOR A CERTAIN PERIOD

Let us say that the attorney presents a financial statement showing a deficit of \$15,000.

The statement of Assets and Liabilities upon which you passed your credit decision a year before showed a Net Worth or Capital of \$16,000.

Manifestly, then, the debtor has lost his original capital of \$16,000, to which we add the claimed deficit of \$15,000—a total of \$31,000; a considerable shrinkage in one year, which, according to your reasoning, requires a detailed explanation.

You will, therefore, ask for the privilege of examining the debtor. If he is present, that is much to his credit.

Let us assume that he is present. A man who asks for some form of assistance or release from debt should be able to explain, face to face with his creditors, why he considers he is entitled to release.

You will begin in this way:

Q. Mr. Debtor, what were your sales during the last twelve months?

A. \$50,000.

Q. You made a statement just a year ago showing a Net Worth of \$16,000, did you not?

A. I did.

Q. In that statement you claimed to have \$5,000 in cash. Did you have that amount?

A. I did at that time.

Q. Likewise in that statement you claimed:

Owing by customers	\$7,000
Merchandise on hand	5,000
Machinery and fixtures	2,000

That makes a total of \$19,000, does it not?

A. It does.

Q. Then you owed, according to your statement, \$3,000 to creditors on unpaid bills and notes. Do you remember that?

A. I do.

Q. Then your Net Worth was \$16,000?

A. Yes, that was correct.

Q. On the strength of that statement you obtained credit from most of the creditors present. You know that, do you not?

A. I do.

Q. You have heard the statement as it is now presented to the creditors, showing a deficit of \$15,000. Are these figures correct according to your calculation?

A. They are.

Q. Then you have lost in one year \$16,000 Net Worth you had at the beginning of the year, and in the same year you have lost \$15,000 additional, that is, the deficit you claim, or a total of \$31,000. Keep that for a moment. How much business did you do in the last twelve months?

A. \$50,000.

Q. On the basis of this volume of sales will you tell the creditors present how you lost such a large sum of money—\$31,000 in all?

It is rarely possible that a debtor or even his attorney can satisfactorily explain just where or how the losses were made.

In your examination you have obtained the debtor's admission that both statements and detail as rendered are absolutely correct. He dare not repudiate that statement that he made to you for the purpose of obtaining credit, because making a false financial statement with the expectation that it will be relied upon in extending credit is illegal.

He dare not state that the present financial statement, as explained by his attorney, is not correct, because that would indicate that there is some form of trickery behind the proposed trouble.

You must have in mind the principle which we enunciated in this section and you must adhere to it. And we repeat: "Don't let a debtor get away without investigation as to his business methods."

You may, therefore, consider that the psychological moment has arrived for your making a motion that a committee of creditors be elected for the purpose of examining the records of the debtor to verify the accuracy of statements submitted, and to report at a subsequent meeting of creditors.

Let this committee not be three of the largest creditors, for some with large claims are notoriously neglectful. Let it be a committee of interested creditors, small or large, who desire to deal out justice.

We will assume that your activities brought about your election as a member of that committee. It will, therefore, be your duty to visit the office or plant, wherever books are kept, take off your coat, roll up your sleeves, and insist upon seeing all books and records.

You and your committee men should make searching analysis

of what has transpired in the past year with reference to that debtor, with special emphasis on what happened in the preceding four months.

You should go into detail even if you know, then and there, that you will accept 30, 50 or 80 per cent. in full settlement of your claim.

The statement that you will prepare should indicate the year's operations; the sales less the cost of sales, less the cost of distribution. You will then have an opportunity to verify or disprove the financial statements that were made at the creditors' meeting.

When you depart from that office you will tell the proprietor not to disturb or remove any of the records until a disposition of his case has been made.

Your investigation will many times show that the debtor and his attorney carelessly handle the truth.

You will discover that the debtor's lawyer tactfully puts the worst end forward. He may be paid for that. His fee may be contingent upon a 20 per cent. settlement.

Here let a word of warning to credit men be injected. It has to do with

BRIBING THE CREDIT MAN

Don't ever fall into the clutches of a dishonest lawyer or merchant.

In all the big cities, and smaller ones, there are men masquerading as credit men who are shivering because of fear of exposure. Some have "sold out" their fellow credit men (if we may use that phrase of the underworld).

If you follow out the plan suggested in this article, operation by operation, you will find in half the cases that the morning after you have fought your battle the debtor or his representative, or the lawyer or his representative, will endeavor to buy you off on the basis of one hundred cents on a dollar if you will drop your activity.

Now the credit office must be compared with the minister's study. If bribery in one is obnoxious and dishonorable, it must likewise be characterized in the other.

And here I want to state a canon adopted by the National Association of Credit Men which is to the point:

"It is always improper for one occupying a fiduciary position to make a secret personal profit therefrom. A member of the creditors' committee, for example, may not, without freely disclosing the fact, receive any compensation for his services, for such practices lead to secret preferences and tend to destroy the confidence of business men in each other. 'No man can serve two masters.'"

A credit man worthy of the title need not be told that it is absolutely base to accept a bribe from a scheming merchant or lawyer.

He knows the reputation of the house he represents, and his own must be of a type that both will have the confidence of the men in the trade, the judges in the courts, and the merchants who build business on honest methods, as against those who undersell because they buy goods that they never intend to pay for.

TENTH OPERATION

REPORT AT A SECOND GENERAL MEETING OF CREDITORS

After a few days you should be ready to report. It is important that delays be avoided, for some creditors, unfamiliar with the facts, may unwisely place their claims in judgment. It is, therefore, the part of prudence to act quickly.

You will call this meeting to order, state the facts as you have found them, and let the creditors gathered decide what disposition to make of the case.

If you have discovered fraud, tell them about it and suggest prosecution. If you have discovered an honorable merchant who lacked business ability, mention in which particular departments of business he was ignorant, and let the meeting decide what is most reasonable to accept so as to give him a new start in business life, remembering that if you force a proposition out of proportion to his financial condition it is likely that he will again be in the same predicament in the future.

When the committee acts fairly and squarely, discusses everything, it will have the support of practically every creditor; and it is, therefore, necessary that you and your committee *support your recommendations made to the creditors.*

It is proper that you lend your aid to assist in bringing about a speedy adjustment of the debtor's troubles, and he should be informed that questions from inquiring creditors, by telephone or in person, will be answered by the members of the committee.

Frequently you will find some concerns who will hold out against alleviating the troubles of any merchant without possessing any basis for such a decision.

It is sometimes necessary to use pressure in order to persuade them to fall in line. Their motives are clear. They want one hundred cents on a dollar; they never attend a meeting of creditors; never take time to investigate the merits of a case, and simply act in an unbusinesslike manner.

The experience of credit men, it is a pleasure to record, has been that where a case has been investigated and a report is presented that has the marks and the ring of frankness, and there is an absence of legal expenses and fees, practically every sensible business concern will accept the findings of credit men acting on a committee.

It is quite impossible, in an article of this kind, to explain the endless variety of failures and to lay out a formula applicable to each.

At the conclusion of this article several typical cases which will bring out certain features and present avenues of investigation will be presented which will enable one to attack, if necessary, and discover at times the motives on the part of lawyer and client.

Each case represents actual experience; in some the interest of the creditor who leads off is only \$50, and in others the figure is in the thousands.

Whether one is interested in a small or a large sum should make no difference in the way a case is handled.

CREDITORS' MEETINGS OUT-OF-TOWN

When a meeting of creditors is called in some distant city it will be necessary to ask the branch credit manager or branch sales manager to arrange to be present.

He should be instructed to follow the procedure outlined in the early part of this article and thus be able to report in detail to enable the credit department to make an intelligent decision upon what course to take.

FRIENDLY ADJUSTMENTS THROUGH ADJUSTMENT BUREAUS

Every student of credits should bear in mind that cooperation in friendly adjustments is a most important principle. A great saving of money is effected by the liberal use of adjustment bureaus. Credit men not using these bureaus represented throughout the country are doing the concerns they represent an injustice.

Commercial failures are even in this day a free grabbing affair, in which creditors are the last in line to put their hands in the bag.

Credit men cannot afford to see an estate impoverished by mismanagement. Adjustment bureaus keep the companies out of court and are consequently able to show an individual average dividend to creditors far in excess of estates that reach lawyers or the bankruptcy courts.

The National Association of Credit Men has 68 bureaus in as many cities, and when you have a failure out of town you should immediately consult the directory of adjustment bureaus as listed in the Monthly Bulletin, and pass your account to the bureau that is located nearest your customer.

If you have placed your account with an attorney, do not hesitate to ask him to cooperate with the bureau. If he is unwilling, withdraw your claim.

The adjustment bureaus are efficiently managed by credit men. Their strength comes from the support the credit men give. They stand for the upbuilding of the credit system. They are the foe of the dishonest trader and the friend of the unfortunate.

CONCLUDING REMARKS

May we suggest that the credit man never act hastily on extensions or compositions. A thorough investigation should be made deliberately and intelligently in every case, so that you can accept the proposition on its merits and not hearsay, not on a cleverly constructed letter, and not on sentiment, or what is known, in the language of "culture," as a "hard luck story."

The typical cases that follow will tell the interesting side of a credit man's work. He is really an investigator, a detective, a lawyer, an accountant, a systematizer, and a social worker.

Every financial embarrassment adds another chapter to the long list of causes on why men fail. Every default gives him an opportunity to act according to the best interests of the creditors and to the larger interests of the nation.

In some cases he finds it necessary to place men in bankruptcy, branding them with a mark that will be legible for life. Some will find their way into jail. To most he will lend a helping hand and a supporting arm, often an open check book, enabling those involved, by advice and counsel, to resume business and to become successful.

For every merchant that is thus set on the road to success the credit grantor finds a sense of satisfaction that is hard to express, and that makes the time spent on a case a pleasure instead of a hardship.

Justice is his guide in all his work and he, therefore, does not permit one dishonest failure to sway or influence his mind in such manner that suspicion will be cast upon the "Ninety and Nine" that are honest, though lacking in business methods.

TYPICAL CASE A

ASKING THE LAWYER TO GIVE UP HIS CLIENT TO PERMIT CREDITORS TO HANDLE THEIR CUSTOMER AS THEY SEE FIT

A notice of a meeting of creditors was called by an attorney, and before the meeting took place a member of the Association followed out the operations in this article on Creditors' Meetings.

He then requested the attorney for the debtor to withdraw from the case, paid him \$25, and called a meeting of creditors at the office of the New York Credit Men's Association, where only creditors would be present.

The case was freely discussed in the presence of the debtor, and it was agreed to give him an extension of one year and such advice as he needed because the preliminary investigation showed him to be worthy of every consideration that an interested creditor could give.

The year passed, one hundred cents on a dollar had been paid, there was no loss to the creditors, there was big profit to the merchant because his commercial record was kept clear, and the lawyer was satisfied with \$25 for the small part he had to play.

All the creditors have a better, safer customer to deal with.

To Be Continued—September Bulletin.

WATCH THE STOCK PEDDLERS

READERS: Get the names and addresses of all persons and companies offering speculative or doubtful stocks and securities, particularly if in exchange for Liberty Bonds or War Saving Stamps, with copies of their "literature." Mail them promptly for investigation to the

Federal Trade Commission
Washington, D. C.

Reducing the Labor Incident to Monthly Statements

The Art Metal Construction Company follows closely the method of sending customers the monthly statement whether or not accounts therein are due, its experience being that disputes regarding discounts and slow payments are likely to follow failure to send out the monthly statement promptly.

In order to reduce the labor of sending out the monthly statement to a minimum, a statement form has been prepared in triplicate, the three forms being held together by perforated edges. During spare moments, the office boys insert two carbons in each group of statements so that when the stenographer, at the end of the month, is ready for the work, she picks up and handles but one piece of paper upon which to insert the heading of the account. When completed, one copy goes to the customer, one to the branch office and one to the credit department. About three or four days after the statements have gone forward to the branch managers, the credit department follows with a letter of inquiry asking if the managers have any comments or a word of caution regarding the accounts. This often brings out valuable information for the credit department, for the branch manager advises perhaps of certain conditions which warrant the taking of vigorous action or perhaps the branch manager sends word of some complaint being received, in which event the proper department to remedy the difficulty is sought out. "The result is," says the Art Metal Construction Company, "the statement has brought many benefits both direct and indirect."

The Customer Who Habitually Leaves Balances

The New York Credit Men's Association has just been discussing in its Bulletin what to do with customers who habitually leave balances unpaid week after week or month after month. The feeling is that this is the first sign that an account which heretofore has been profitable and desirable has become risky without apparent reason. So far as the seller can see, there is no change in the customer's income or fixed expenses and the seller's consent to carry a balance is at first readily obtained, but the account grows beyond the former figures to an ever-increasing level and the merchant begins to feel uneasy and wonders what to do. His fear of losing the customer is stronger than the fear of loss of money and so, trusting to luck, the account is allowed to drift along, first up and then down, for weeks and months.

There is just enough of such accounts which eventually pay to mislead the seller into carrying and bothering about the others, which finally are lost. The remedy, of course, is not to let a prompt customer get into the habit of leaving balances. As soon as that habit shows itself, he must be talked with tactfully but firmly and insistently with a view to finding out why the change in the customer's circumstances has taken place. In other words, he must get the facts before him definitely and then have the courage to make the decision.

What Makes a Gentleman

By BEATRICE FAIRFAX

Who misses or who wins the prize,
Go—lose or conquer, as you can;
But, if you fail, or if you rise,
Be each, pray God, a gentleman.

A real gentleman is one of God's noblemen. But he wears no livery or insignia. Sometimes you find him in mud-caked overalls—and sometimes in frock coat and elegantly creased trousers.

By these signs shall you know him: an instinctive respect for the aged, a love for children, and a chivalrous tenderness toward all women. Reverence for his Maker and love of his country are instinctive with a real gentleman; and he knows "that his body as well as his soul is his charge, which must be returned to his Maker undefiled."

A real gentleman is a good man, whose instincts are fine and clean and tender. He respects weakness and meets strength face to face and unafraid. He approaches his superior with dignity and faith in himself, and he has exquisite reverence for all the helpless things which need his strength.

Because a man gets to his feet when a woman comes into a room and stands with his head uncovered in an elevator does not mean that he is a gentleman. It only indicates that he has the manners of one.

AS TO GOOD MANNERS

And a man may eat with his knife and yet have the heart of a real gentleman.

Of course, good manners are the outer signs of courtesy and chivalry. One wants to see them in a fine man and their lack is a woeful handicap. But after all, manners are a thing that can be learned, and real chivalry is innate.

Your real gentleman doesn't laugh when an old man slips on the icy pavement and falls into a ludicrous position. He goes to offer his help. A true gentleman may not jump to his feet in a street car when a pretty young girl comes in—but when an old woman, toil-worn and weary, crosses his path he goes to her assistance at once.

No man is a gentleman unless he is instinctively chivalrous. No man is a gentleman unless he measures himself coldly and critically and the rest of the world warmly and generously.

A gentleman plays fair. He gives odds to weakness. He cannot lie. He would scorn to deceive ever so lightly the woman who loves him, the little child who puts its hand in his, or yet his own clean soul.

Reverence for himself, the aged, the weak, the mothers of the race, and his Maker—these things are part of the very nature of a gentleman. Nothing cheap, nothing tawdry, nothing vulgar, nothing sordid and furtive can be admitted to his mind. A gentleman would always dare speak his thoughts aloud and tell his dreams and secret desires—for they are decent and fine.

The instincts of a gentleman make him keep his body clean as well as his coat; but they urge him as strongly to keep his mind clean.

HIS CREED

The ten commandments are not objects of scorn to a gentleman. He respects and reverences them as part of the Law and Order in a universe he respects.

Religion is sacred to a gentleman, even if he knows no creed or dogma. No woman is ever the worse for having known him, and perhaps some are better. Death is not a thing to dread, because life has been a worthy preparation for whatever may come.

Temperate in all things, reliable in all things, honorable, unselfish, faithful in the tiniest matter, master of himself and so worthy to master others, a gentleman never boasts of his own gentility, or scorns those of lesser standards. He never compromises with evil, denies good, or judges those who fail to live life as he thinks it should be lived.

That is a gentleman—a man who is tender, yet strong; true, yet uncritical; reverent, yet never boastful. A gentleman is "God's own man."

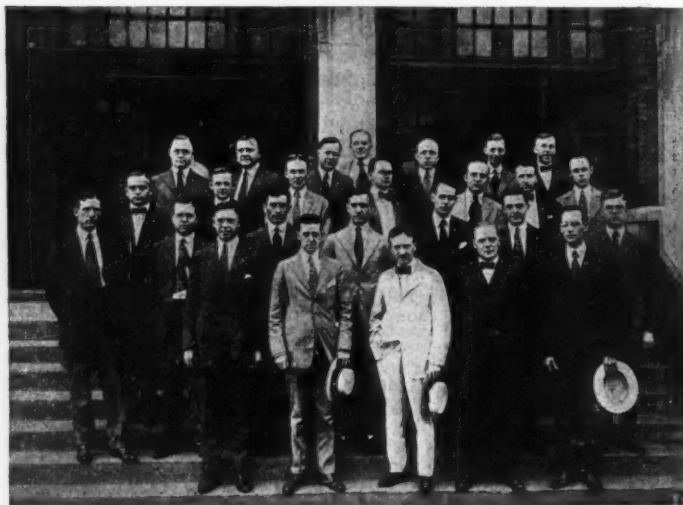
Are you one?

What Will Be the Trend of Money Rates?

The Mechanics & Metals National Bank of New York took up in a recent publication a discussion of the probable trend of interest rates after the coming of peace. It said that many bankers look for a plethora of free capital and credit accompanied by sharply lowered interest charges based on the newly developed wealth of nations, particularly that of the United States; also, on the large productive capacity of many industries; the curtailment of war demands; the gold accumulation in the United States as the basis of a great expansion of credit and finally the abandonment altogether of gold reserves against bank credits in many foreign countries. The bank, however, presents some offsetting factors which indicate to it a maintenance of rates for a long time to come, one of them being the single item of wealth destroyed in the war, much of it highly productive wealth, which restricts the available capital and induces high interest rates, and another the fact that war left the world with such an enormous amount of outstanding government obligations that the minimum level of interest on all investment capital for a long while ahead, as well as the minimum on banking credits, must almost certainly be the rate of return yielded by those obligations.

"It is not alone," the circular goes on to say, "what goes on in a single country that will determine interest rates, for it is abroad that the keenest competition for both capital and credit is likely to ensue. Nations of the world which are the most pinched will be the most urgent bidders, who will be willing to pay high rates for accommodation. In Europe's new era there will be eagerness and impatience to borrow and this will tend to raise interest levels, for it is to be remembered that Europe will be like a new country abounding in hope but having to pay well for financial backing until it can realize that hope.

How Firestone Attended the Detroit Convention



From left to right:

Front row—R. S. Leonard, Assistant Treasurer; H. K. Dexter, Assistant Treasurer; President, Harvey S. Firestone; J. G. Robertson, Treasurer; M. E. Moffett, Assistant Treasurer.

Second row—H. H. Crosby, Assistant Treasurer Firestone Steel Products Company; W. P. Cassel, Boston; F. C. Adams, Philadelphia; E. B. Osler, Pittsburgh; D. W. Warden, Manager Eastern Credit Department, Akron; W. D. Zahrt, Atlanta; R. E. Payne, Akron.

Third row—M. K. Buck, Akron; R. I. Shaw, Detroit; H. Y. Hickey, Akron; S. J. Gilman, New York City; R. E. Haley, Minneapolis; E. C. Lowney, Cincinnati; J. S. Clarke, Buffalo.

Fourth row—W. A. House, Manager Western Credit Department, Akron; Frank Queisser, Dallas; Herbert Halverstadt, San Francisco; H. A. Hulke, Omaha; H. C. Beltz, Portland; B. H. Barnes, Chicago; J. A. Ensign, Akron.

If there was any other one company more largely represented at the Detroit convention than the Firestone Tire & Rubber Company, it has not been brought to the attention of the officers of the Association.

Advantage was taken by this company of the Detroit convention to hold a conference not only of most of the credit managers of the concern, but with them came the treasurer and assistant treasurers, two of the leading sales managers and also President Firestone, who was one of the most enthusiastic members of the conference in the adoption of the slogan for the coming year: "Bigger Business through Constructive Credit Work."

Assistant Treasurer H. K. Dexter, who is in charge of the credit and collection department of the entire organization, says, "The district managers of this organization, fifteen in number, are experts in their line, who are devoting the major portion of their time to business building through the proper education of their dealers and in this effort are working in the close cooperation with the selling department."

BREVITIES

One of the important conventions of the year is that of the American Bar Association which on September 3-5 will be held at Boston, Mass. Naturally the great changes which have taken place in our national and social life since the war, matters of the highest importance are to be taken up at this convention.

A. R. Darragh recently told the members of the Pittsburgh association of a country merchant, a customer of his, who would have nothing to do with double entry ledgers.

"I keep my paid bills in one soap box and the unpaid in another and I will be durned if I keep any books." One day, Mr. Darragh said, a dispute arose over a bill and after a great deal of trouble it was found the double entry soap-box system had failed to work, for the customer had put the bill in the wrong box.

The Los Angeles Wholesalers' Board of Trade in a recent annual shows a distribution to creditors in the insolvent estates handled and operated under its direct supervision of 86.69 per cent. of the net amount realized on the assets. This compares with 71.39 per cent. of the assets realized in cases in bankruptcy in the United States and territories as compiled by the Department of Justice reported for the year ending June 30, 1917. The total percentage going to assignees and attorneys serving the bureau was 6.26 per cent., similar officers in bankruptcy cases receiving 28.72 per cent.

The members of the New England delegation to the Detroit convention are still talking of the good time they had in the trip to the convention city. Through the enterprise of the Providence committee, consisting of H. F. Barker, H. M. Peck and A. R. Plant, a special car was arranged for, accommodating not only the Providence party, but several of the members located at Worcester and Boston; under the leadership of President Gardiner of the Providence association there were fifteen representatives from that city present, which is proof sufficient of the enthusiasm which prevails in the organization at the Rhode Island metropolis.

R. G. Dun & Company reported for the month of May but 531 commercial failures, being a new low record in number with \$11,956,651 of liabilities. The tendency in number of failures per month has been steadily downward since the first of the year. Since the monthly statements were compiled in 1894, or a quarter of a century ago, the low point to April of this year had been 581 failures in May, 1899, and July, 1899, was the only other month until this year when the number had fallen under the 600 mark. Comparing the May figures with those of corresponding figures in recent years, a striking improvement is shown, for not only is there a decrease of 349, or nearly 40 per cent. below the figures of May of last year, but there are decreases fully of 59 and 64 per cent., respectively, for 1917 and 1916.

The National Association of Credit Men has always stood for the development of trade associations. It realizes that questions peculiar to the individual trade cannot be handled effectively and are entirely outside the sphere of the National Association of Credit Men, which is not a trade association, but rather an association for all trades. These trade associations have been of special advantage to members throughout the period of the war, that period developing an unusual spirit of cooperation among those who were engaged in the same general line of business. A prominent member of the National Association of Fan Manufacturers says: "The old cut-throat competition has been practically removed by the association and the members are as a rule making some money where probably before they were making little or none. The association is also working upon legislation, matters of credit of mutual advantage to the membership, all of which is tending to bring about greater cooperation."

The Art Metal Construction Company, whose testimony regarding the trade acceptance has been previously presented in the Bulletin, writes regarding its spring business that accounts at the present time are in cleaner condition and better shape than for many years. This may, of course, be due to good business conditions, comments the writer, but the opinion of those who have watched the matter closely is that it is due in no small degree to the use of the trade acceptance and the close check on credits and collections. In checking monthly statements, statement after statement appears clean and up to date, whereas it is recalled that in the past many of the statements covered accounts which showed small shortages, unearned discounts and bills past due. One statement in particular now covers current items only while, as a rule, it was one requiring much time to watch. The satisfactory condition of this particular account is due to the use of the trade acceptance, for under it no opportunity is open for arbitrary deductions or unearned discounts. Everything is cleared as business runs along.

The Federal Trade Commission has for some time been holding hearings on the question whether or not a manufacturer of standard articles identified either by trade mark or trade practice, should be permitted from the economic standpoint to fix by contract, expressed or implied, prices at which the purchaser may resell them. The commission has made a special report to the House of Representatives in favor of legislation granting to manufacturers such right and stating that bills then pending before Congress might well be made to meet the difficulties of the situation if amended to provide for a review of the terms of resale contracts and revision of resale prices by a disinterested agency. The Stevens-Ashurst Bill is said to be acceptable to the Federal Trade Commission with some such amendment as follows:

"With respect to any contract or contracts authorized to be made under this act, the Federal Trade Commission may, in the manner provided in the act, and subject to the same review as other orders of the commission, on its own initiative or upon complaint of any person, firm, association or corporation, after investigation and determination

that the public interest requires, terminate the whole or any part of any such contract or regulate the terms thereof in the public interest."

ASSOCIATION NOTES

Cleveland

President E. H. Jaynes of the Cleveland association has instituted a new plan for conducting the bureau work of the association for the coming year. He has designated as chairman of the adjustment bureau committee, First Vice-President J. E. Campbell, and as chairman of the interchange bureau committee, Second Vice-President Geo. C. W. Klippel.

Nashville

At the June meeting of the Nashville association held just prior to the delegates starting for the Detroit convention, John F. House, assistant postmaster at Nashville, spoke on "New Postal Regulations." Mr. House also made reference to the war savings stamps stating that considerable trafficking in these stamps was going on, though the government considered them absolutely non-negotiable. He said the postal authorities had no authority to redeem these stamps except at the instance of the original purchaser.

In behalf of the members of the association, Louis Leftwich presented to the retiring president, J. T. Jenkins, a handsome watch fob, suitably engraved, as a token of esteem and appreciation of his long service for the up-building of the association. Thomas D. Steele was called upon by President Reynolds and responded with a fifteen-minute talk on "Our System for Handling Orders." The talk was followed by a general discussion in which a great many took part.

Pittsburgh

A. D. Sallee has been chosen president of the Pittsburgh chapter of the National Institute of Credit and already more than seventy have signified their intention of taking the course.

Geo. W. Ryan, presiding officer at the noon-day luncheon of the Pittsburgh association held June 12th spoke on the subject, "Ingrowing Toe Nails or Were You Ever Stung?" Mr. Ryan told his hearers that he was now ready to be a father confessor and invited everybody to dig into his inmost soul and drag therefrom secrets he had been hiding and mistakes he had made. The result was some extremely interesting testimony, which was summed up in some good moralizing which the credit men took home to their advantage.

Addresses Wanted

- S. Abrahams, General Store, Ambridge, Pa.
- Lee Ames, painting contractor, formerly resided at Festus, Missouri.
- Arthur J. Carneale, Pennsgrove, N. J.
- Dougherty Bros., General Store, Girardville, Pa.
- L. T. Eaton, travelling salesman, last known address, Deadwood, S. D.
- E. Harris, butcher of Linwood Avenue, Niagara Falls, N. Y., resided at 462 Fifth Street, last heard of was on way to Boston.
- J. H. Hicks, formerly of La Belle, Fla., moved to Jacksonville, and when last heard of was on way to Chattanooga.
- A. H. Knowles, former manager of the Standard Auto Painting Co., 2165 Chestnut St., San Francisco, Cal.
- Manning Bros., formerly of Conway, Mo. It is believed that H. W. Manning is located at Akron, Ohio.
- Wm. W. Patrick, master painter, formerly located at Columbus Ave., Yonkers, N. Y.
- E. H. Phinney, travelling salesman, formerly located at the Preble House, Portland, Me.

O. H. Reed, formerly of Augusta, Kansas.
 H. O. Reinhardt, last known address, 1329 Prytania St., New Orleans, La.
 S. Rosenstock, formerly of New Britain, Conn.
 Raymond J. Baker, formerly of somewhere in Texas near Fort Worth, last seen in business at Pittsburgh, selling Baker's Poultry Remedies, —skipped the City owing several so-called friends, took wife and 16-months old child with him. Age 26 (looks older), height, 6 feet, weight 190 lbs., brown hair, blue eyes (blind in left eye, although looks same as other eye), good teeth, smokes cigarettes, all the time, anytime. Notify Pittsburgh association.
 A. Cohen, Pawtucket, R. I.

W A N T S

CREDIT COLLECTION AND OFFICE MANAGER: Now employed, holding present position for the past fifteen years with a large manufacturing corporation, is desirous of making a new connection where a larger opportunity is available. Long experience in credits and business affairs qualify me to fill a position of trust and responsibility. Location preferred, Philadelphia or States of New Jersey and Delaware, but would go anywhere. Salary, \$2,500 to \$3,000 per annum. Age 44 and single. Excellent health, of correct habits and a hustler. Address ADVERTISEMENT No. 451.

MAN WITH ENERGY AND AMBITION TO TRAVEL AND SELL the X-Ray Line modern bookkeeping equipment and business systems. Attractive, exclusive features make strong appeal and beat all competition. Good repeat business. Full time proposition. Business booming now. Write for details. Address ADVERTISEMENT No. 452.

A SUCCESSFUL PROGRESSIVE CREDIT MAN of exceptional broad experience, now with one of the largest manufacturing firms in its line in the East, desires a new connection with better opportunities for Credit or Administrative work. Thoroughly competent in credits, financing, accountancy, office management; and by personality and varied organizing experience, qualified particularly for executive duties requiring a good knowledge of fundamental business principles, and ability to obtain cooperation. Age 37, married, University education, Protestant. Initial salary a secondary consideration, minimum \$3,500-\$4,000. Address ADVERTISEMENT No. 453.

YOUNG MARRIED MAN desires opening with Chicago firm. Have had eight years' experience in credit and collection work. Office manager for two years. Capable correspondent. Age 28 years. Salary, \$2,400. Address ADVERTISEMENT No. 454.

CREDIT AND COLLECTION MANAGER, OFFICE MANAGER, ACCOUNTANT, CASHIER, ORGANIZER AND SYSTEMATIZER: Twenty-five years' experience in above capacities with prominent New York import, export and dry goods commission houses. Nineteen years' confident executive of one concern. Later secretary and assistant treasurer, credit and office manager for dry goods commission house. Have checked credits on over fifteen trades, several millions monthly. Conversant with all details of office and business management, real estate investments, all kinds of insurance, letters of credit, foreign exchange, account sales, customs documents, etc. A representative American in all particulars. At present engaged, but seeks a broader opportunity with a reliable New York house only, who can appreciate a loyal and dependable man. Compensation to start \$4,000 to \$5,000 per annum, according to requirements. Address ADVERTISEMENT No. 455.

CREDIT MAN: Seven years' experience in wholesale textile line; able correspondent and collector; valuable assistant to chief in large house. Age 28; honorably discharged from army. Address ADVERTISEMENT No. 456.

POSITION DESIRED: As credit manager or assistant. American, age 27. Single. Six years' experience with large manufacturing concern. Expert in credits and accounting. Highest credentials as to character and ability. Address ADVERTISEMENT No. 457.

Directory of Adjustment Bureaus Conducted by Local Associations of Credit Men Which Have Advised the National Office That They Are Complying with the Rules Adopted by the National Directors.

- California, Los Angeles, F. C. De Lano, Mgr., Higgins Bldg.
 California, San Diego, CARL O. RETSLOFF, Mgr., 607-608 Spreckels Bldg.
 *California, San Francisco, Board of Trade of San Francisco.
 District of Columbia, Washington, R. PRESTON SHEALEY, Sec'y and Mgr., 726 Colorado Bldg.
 Florida, Jacksonville, H. LYLE, Mgr., 506 Dyal-Upchurch Bldg.
 Florida, Tampa, S. B. OWEN, 5 Roberts Bldg.
 Georgia, Atlanta, R. Y. BARRETT, Mgr., 304 Chamber of Commerce Bldg.
 Georgia, Augusta, H. M. OLIVER, Mgr., 6 Campbell Bldg.
 Georgia, Macon, A. F. MCGHEE, Mgr., Macon Association of Credit Men.
 Illinois, Chicago, M. C. RASMUSSEN, Mgr., 10 South La Salle St.
 Illinois, Springfield, R. A. BUNKER, Mgr., Third Floor, Broadwell Bldg.
 Indiana, Evansville, H. W. VOSS, Mgr., Furniture Exchange Bldg.
 Indiana, Muncie, THOMAS E. BRACKEN, Mgr., Delaware County National Bank Bldg.
 Indiana, South Bend, L. M. HAMMERSCHMIDT, Mgr., 710 J. M. S. Bldg.
 Indiana, Terre Haute, J. CADDEN, 401 Star Bldg.
 Iowa, Cedar Rapids, A. S. ORMSBY, Mgr.
 Iowa, Davenport, ISAAC PETERBERGER, Mgr., Lane Bldg.
 Iowa, Des Moines, DON E. NIEMAN, Mgr., 421 Fleming Bldg.
 Iowa, Ottumwa, WM. A. HUNT, Mgr., Phoenix Trust Bldg.
 Iowa, Sioux City, PETER BALKEMA, Mgr., 601 Trimble Bldg.
 Kansas, Wichita, M. E. GARRISON, Mgr., 1009 Beacon Bldg.
 Kentucky, Lexington, J. P. JOHNSTON, Mgr., 1312 Fayette National Bank Bldg.
 Kentucky, Louisville, CHAS. FITZGERALD, Mgr., 45 U. S. Trust Co. Bldg.
 Louisiana, New Orleans, T. J. BARTLETTE, Supt., 608 Canal Louisiana Bank Bldg.
 Maryland, Baltimore, S. D. BUCK, Mgr., 100 Hopkins Place.
 Massachusetts, Boston, H. A. WHITING, Secretary, 77 Summer St.
 Michigan, Grand Rapids, WALTER H. BROOKS, Secretary, 541 Michigan Trust Bldg.
 Minnesota, Duluth, E. G. ROBIE, Mgr., 415 Lonsdale Bldg.
 Minnesota, Minneapolis, J. P. GALBRAITH, Mgr., 241 Endicott Bldg., St. Paul.
 Minnesota, St. Paul, JOHN P. GALBRAITH, Mgr., 241 Endicott Bldg.
 Missouri, Kansas City, C. H. WOODWORTH, Mgr., 303-7 New England Bldg.
 Missouri, St. Louis, W. J. BURTON, Mgr., 510 Locust St.
 Montana, Billings, H. C. STRINGHAM, Mgr., Electric Bldg.
 Montana, Great Falls, W. L. IGNATIUS, Mgr., 216 Ford Bldg.
 Nebraska, Lincoln and Omaha, E. E. CLOSSON, Mgr., 320 Bee Bldg., Omaha.
 New Jersey, Newark, F. B. BROUGHTON, Mgr., 519 Kinney Bldg.
 New York, Buffalo, W. B. GRANDISON, Mgr., 1001 Mutual Life Bldg.
 Ohio, Cincinnati, E. C. BRUNST, Secretary, 1503 Union Trust Bldg.
 Ohio, Cleveland, T. C. KELLER, Commissioner, 322 Engineers' Bldg.
 Ohio, Columbus, B. G. WATSON, Mgr., 411 The New First National Bank Bldg.
 Ohio, Toledo, F. A. BROWN, Mgr., 723 Nicholas Bldg.
 Ohio, Youngstown, W. C. MCKAIN, Mgr., 1106 Mahoning National Bank Bldg.
 Oklahoma, Oklahoma City, EUGENE MILLER, Mgr., 625 Insurance Bldg.
 Oklahoma, Tulsa, W. A. RAYSON, Mgr., Simmons Bldg.
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 Texas, Houston, H. W. BROWN, Mgr., 315-316 First National Bank Bldg.
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 Utah, Salt Lake City, WALTER WRIGHT, Mgr., 1411 Walker Bank Bldg.
 Virginia, Norfolk, SHELTON N. WOODARD, Mgr., 1210 National Bank of Commerce Bldg.
 Virginia, Richmond, JO LANE STERN, Mgr., 905 Travelers' Insurance Bldg.
 Washington, Spokane, J. D. MEIKLE, Mgr., Old National Bank Bldg.
 Washington, Seattle, J. L. BALDWIN, Mgr., Polson Bldg.
 Washington, Tacoma, W. W. KEYES, Mgr., 802 Tacoma Bldg.
 West Virginia, Clarksburg, Central W. Va. Credit and Adjustment Bureau, U. R. HOFFMAN, Mgr., 410 Union Bank Bldg.
 West Virginia, Huntington, Tri-State Credit and Adjustment Bureau, Inc., HARRY F. ELAM, Mgr., 705 First National Bank Bldg.
 Wisconsin, Green Bay, J. V. RORER, Mgr., 212 Bellin-Buchanan Bldg.
 Wisconsin, Milwaukee.
 Wisconsin, Oshkosh, CHAS. D. BREON, Mgr., 132 F. R. A. Building.

*Not controlled by but affiliated with San Francisco Association of Credit Men.

Directory of Credit Interchange Bureaus Conducted by Local Associations of Credit Men Which Have Advised the National Office That They Are Complying with the Rules Adopted by the National Directors.

- Alabama, Birmingham, R. H. EGLESTON, Mgr., 321-323 Chamber of Commerce.
Alabama, Montgomery, J. M. HOLLOWAY, Mgr., 81 Vandiver Bldg.
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Georgia, Atlanta, A. G. SMITH, Mgr., 304 Chamber of Commerce Bldg.
Georgia, Augusta, H. M. OLIVER, Mgr., 6 Campbell Bldg.
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*Indiana, Evansville, H. W. VOSS, Mgr., Furniture Exchange Bldg.
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Iowa, Ottumwa, Wm. A. HUNT, Mgr., Phoenix Trust Bldg.
*Iowa, Sioux City, A. P. SOELBERG, Mgr., 601 Trimble Bldg.
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*Michigan, Detroit, FRANK R. HAMBURGER, Mgr., 917-918 Dime Bank Bldg.
Michigan, Grand Rapids, WALTER H. BROOKS, Mgr., 541 Michigan Trust Bldg.
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*New York, Syracuse, Central New York Credit and Adjustment Bureau, Inc., C. A. BUTLER, Mgr., 702-703 Snow Bldg.
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*Ohio, Cleveland, D. W. CAULEY, Mgr., 326 Engineers' Bldg.
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Ohio, Toledo, F. A. BROWN, Mgr., 723 Nicholas Bldg.
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*Oklahoma, Oklahoma City, EUGENE MILLER, Mgr., 625 Insurance Bldg.
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Washington, Tacoma, W. W. KEYES, Mgr., 803 Tacoma Bldg.
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*West Virginia, Huntington, Tri-State Credit and Adjustment Bureau, Inc., HARRY F. ELAM, Mgr., 705 First National Bank Bldg.
*Wisconsin, Green Bay, J. V. ROBER, Mgr., 212 Bellin-Buchanan Bldg.
*Wisconsin, Milwaukee, _____, 301 Mayer Bldg.
Central Credit Interchange Bureau, St. Louis, Mo., W. J. BURTON, Mgr., 323 Boatmen's Bank Bldg.

*Interchange Bureau Participating in Central Bureau.

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Office { New York City

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